



its balance sheet. NorthWestern recently completed the sale of 10.0 million shares at \$8.75. We expect further balance sheet strengthening may be required, either through additional equity sales and/or the sale of non-strategic assets.¹⁷⁹

94. In addition, the equity offering did not alleviate the liquidity crisis NorthWestern was facing. A month later, in a November 15, 2002 Action Plan memo, Gary Drock, Chairman of Corporate Governance Committee of the Board of Directors of NorthWestern, wrote the following to Merle Lewis, CEO of NorthWestern and Richard Hylland:

Diligently and expeditiously work to replace or amend the existing Company credit facility with CSFB as soon as possible... explore whether any financial sponsors or mezzanine funds would consider a debt for equity swap... Continue to pursue cost savings that can be accomplished within the next three months. Consider, among other things, (a) sell plane, (b) reduction in corporate events and contributions, (c) reduction in corporate personnel, (d) senior management compensation plans ... Consider nothing as sacred.¹⁸⁰

95. The measures recommended in the memo reflect a growing desperation at the Company and a clear understanding of the severity of its situation.
96. With the promised equity offering not completed in 2002, had the proper financial disclosures been made, an additional ratings downgrade (more severe than the one following the agencies' disappointment at only raising \$87 million in the October 2002 equity offering) would likely have occurred. The likelihood of this impact had been communicated by Bear Stearns to NorthWestern when it presented financing alternatives in September 2002: "Rating agencies will most likely downgrade debt due to no 'equity' component in the financing strategy".¹⁸¹
97. NorthWestern management clearly understood the debt market's expectation of an equity offering:

During our March offering of the \$720M in bonds we explicitly stated our intent to subsequently issue \$200M equity in the near future and to use these proceeds, along with the Colstrip sale proceeds, to pay down debt.

¹⁷⁹ UBS Warburg, Global Equity Research, NorthWestern Corp., November 7, 2002.

¹⁸⁰ Memorandum Gary G. Drock to Merle D. Lewis and Richard R. Hylland, Action Plan, November 15, 2002 (NOR521188-90).

¹⁸¹ Bear Stearns Presentation to NorthWestern Corporation Board of Directors, September 27, 2002, p. 7 (NOR255877).



To be fair, our bonds were issued at spreads significantly greater than comparable BBB companies, so a certain degree of uncertainty was originally priced into our bonds. Nevertheless, these same bondholders are now growing impatient as to our stock issuance (though, it is entirely likely that various of our bondholders have also taken short positions, thereby hedging their risks.) Our bonds have recently traded much wider than even the original spreads and the ability to sell our bonds is somewhat limited currently. Should we subsequently delay our equity offering there will be a negative repercussions with our bondholders and make it difficult to access this market in the future (at least until we subsequently perform against our original representations).¹⁸²

98. The less than expected equity offering caused Fitch to downgrade each of its credit ratings for NorthWestern in October 2002.¹⁸³ The lack of equity was also cited as a contributing factor in later downgrades by S&P and Moody's.¹⁸⁴
99. NorthWestern's management also concealed important facts that might have disrupted the offering. As an example, the billing and collectability problems at Expanets, which were known to NorthWestern management by October 2002,¹⁸⁵ were not disclosed in the prospectus related to the equity offering. In fact, the Expert system, which was the cause, was described as "operational" and generating "savings".

In November 2001, Expanets installed an enterprise software system, the EXPERT system, and although additional costs have been incurred during 2002 to enhance the system's operational capabilities, the system has eliminated redundant costs incurred under the former transition service agreements executed with Avaya as part of the original Lucent GEM acquisition. The system is now operational and savings are expected to continue throughout 2002 both from efficiencies and the reduction of non-capitalizable integration costs from the project.¹⁸⁶

Suspension of cash dividend payment

100. A further complication related to the violation of the financial covenants in the second quarter of 2002 is that the CSFB credit agreement provided that the Company could

¹⁸² Jacobsen Exhibit 7, Memo from K. Orne to M. Lewis, D. Hylland and E. Jacobsen Re: Financing Plans and Considerations, May 28, 2002 (NOR056240-41).

¹⁸³ Fitch press release: Fitch Dwngr NorthWestern Corp Sr Sec To 'BBB+'; Outlook Negative, October 14, 2002.

¹⁸⁴ Moody's Investor Services, Global Credit Research Rating Action, December 20, 2002 (NOR99652-53). Standard & Poor's Press Release: NorthWestern Corp.'s Corporate Credit Rating Lowered to 'BB+'; Outlook Remains Negative, December 30, 2002 (NOR058328-32).

¹⁸⁵ Fresia Exhibit 13, Timeline of key events (ultimately) leading to 12/31/02 reserve (NOR306791-92).

¹⁸⁶ NorthWestern Corp. Form 424B2 filed October 3, 2002, S-41.



not pay dividends.¹⁸⁷ Similarly, the credit agreement provided that if NorthWestern's credit rating was downgraded to below BBB- by S&P and below Baa3 by Moody's which would have likely occurred as early as the first quarter,¹⁸⁸ the dividend would have to be suspended.¹⁸⁹

101. This situation was noted by Merrill Lynch in August 2002:

If for whatever reason NOR is unable to maintain its recent strength of operations (particularly in telecom), the dividend could be at risk. Moreover, given covenants on its bank line, in the event that its credit is downgraded to below investment grade, the common dividend would be suspended until credit strength is restored. Importantly, NOR's current debt rating remains two notches above junk (BBB2/negative outlook) and the Company's intent to ultimately raise \$150-\$200mm in new private and public equity is targeted to maintain its BBB rating.¹⁹⁰

102. However, even if NorthWestern was allowed to pay dividends and the CSFB facility was fully funded because of a waiver, NorthWestern's realization of the unregulated subsidiaries failure to return any of NorthWestern's investments (\$966.5 million at December 31, 2002¹⁹¹) nor provide any source of future cash flow to help reduce its highly leveraged balance sheet, would have forced NorthWestern to reevaluate the payment of cash dividends.

103. Bear Stearns, as financial advisor to the Company, repeatedly recommended that NorthWestern reduce or eliminate its dividend in September 2002 as a way to shore up the Company's balance sheet and maximize the return to its investors. Specifically, Bear Stearns stated in its September 23 presentation to NorthWestern, "[p]rovided management achieves its projections, all of the financing alternatives, coupled with a suspension in the dividend, will provide significantly more value to shareholders than proceeding with the common equity capital raising alternative... the suspension of the dividend alternative remains superior to the common equity offering..."¹⁹²

¹⁸⁷ NorthWestern Form 10-K405 for the period December 31, 2001 filed April 1, 2002, Exhibit 10(b)(1), pp. 66-67.
¹⁸⁸ See Exhibit 4.

¹⁸⁹ NorthWestern Corp. Form 42482 filed October 3, 2002, S-9. NorthWestern Form 10-Q for the period June 30, 2002 filed August 14, 2002, Exhibit 10.1, Amendment No. 2 to Credit Agreement, p. 2.

¹⁹⁰ Merrill Lynch, NorthWestern Corp., Too Many Uncertainties for Today's Market, August 19, 2002 (NOR026462).

¹⁹¹ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, pp. 25, 28.
¹⁹² Bear Stearns Presentation to NorthWestern Corporation, September 23, 2002, pp. 3-4 (NOR057819-20).



104. Notably, Bear Stearns' recommendations to the Board were made at a time when the Company's bleak prospects were still concealed. It appears that NorthWestern resisted this advice to maintain the false appearance of normalcy being well aware that the negative consequences of a suspension of its dividend could include a drop in the stock price and "WSJ front-page exposure."¹⁹³ As NorthWestern determined that it would go to market with an equity offering in October 2002, it understood that an announcement related to a reduction or suspension in its dividend would be detrimental to the offering because as Bear Stearns communicated in another presentation to NorthWestern, the "...Company's short-term share price may be under significant pressure if a dividend suspension is announced."¹⁹⁴ Morgan Stanley explained this relationship in one of its reports on NorthWestern: "Our valuation is primarily yield driven. Any material change in the outlook for the dividend could affect the market's valuation of these shares."¹⁹⁵
105. Indeed, when NorthWestern eventually announced that it was even deferring the decision to declare a dividend on February 6, 2003,¹⁹⁶ its stock price fell to \$3.95 from \$4.90 the day before. And when it announced the suspension of the dividend on February 19, 2003¹⁹⁷ the stock price fell to \$2.60 – a nearly 50% decline in only two weeks.
106. In its Final Order related to the approval of the issuance of First Mortgage Bonds in connection with the CSFB \$390 million term loan, even the MPSC stated its expectation that dividend reduction would be explored by NorthWestern:
- By approving this security application, subject to the conditions contained in this Order, the Commission is not satisfied that NorthWestern has pursued all available options for digging out of the financial crisis which threatens utility service quality and rates. The Commission expects the board of directors and management, to fully examine all options, including but not limited to: dividend policy and payouts; board of directors and senior management compensation levels and concessions; disposition of
- ¹⁹³ Bear Stearns Presentation to NorthWestern Corporation, September 27, 2002, p. 3 (NOR255873).
¹⁹⁴ Bear Stearns Presentation to NorthWestern Corporation, September 27, 2002, p. 3 (NOR057873).
¹⁹⁵ UBS Warburg, Global Equity Research, NorthWestern Corp., November 7, 2002, p. 2.
¹⁹⁶ Press Release: NorthWestern's Board of Directors Defers Dividend Decision, February 6, 2003.
¹⁹⁷ Press Release: NorthWestern Corporation Outlines Turnaround Plan Company Will Focus on Core Utility Business, Improving Liquidity and Paying Down Debt Common Stock Dividend Suspended Company Projects Charges of Approximately \$700 Million in 2002, February 19, 2003.



non-utility assts/operations; and sale of the Montana First Megawatts project, or a portion thereof.¹⁹⁸

107. The announcement of a dividend suspension would have resulted in further pressure on the Company's bond rating to the extent that it limited its ability to raise equity to improve its overleveraged balance sheet.

\$390 million CSFB financing

108. By early October 2002, had all of the accurate information been known, NorthWestern's ability to meet its obligations would have been questionable. That fact combined with the inability to raise equity would have made it difficult to refinance the CSFB \$280 million revolving credit facility (assuming that CSFB funded the facility in light of the above mentioned covenant defaults and greatly reduced prospects) with the CSFB \$390 million senior secured term loan (backed by first mortgage bonds of all three operating utilities), particularly under the same terms and conditions as in the actual February 2003 financing. An important note is that the use of the \$390 million of first mortgage collateral appears to cause NorthWestern to reach the maximum amount of First Mortgage Bonds that it can offer,¹⁹⁹ and therefore, would have prohibited the Company could not issue any additional first mortgage bonds as collateral for any new financing, its only practical option for raising capital with its very weak credit characteristics.
109. Furthermore, even if NorthWestern would have been able to complete the refinancing, the net \$86 million (\$366 million less \$280 million)²⁰⁰ would have done little to change the Company's prospects other than to postpone the inevitable demise of the Company.
110. One reason this financing was completed in the first place was to convert CSFB's outstanding \$280 million credit facility to a facility secured by First Mortgage Bonds. CSFB essentially swapped its unsecured \$280 million position for a \$390 million fully

¹⁹⁸ Department of Public Service Regulation before the Public Service Commission of the State of Montana, in the Matter of the Application of NorthWestern Corporation for Authority to Consummate a Credit Agreement and Issue \$390 Million in Principal Amount of Secured Long-Term Notes in the Form of First Mortgage Bonds, Final Order, January 27, 2003, p. 9 (NOR001614).

¹⁹⁹ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, p. 63.

²⁰⁰ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, p. 6. RBC Capital Markets, NorthWestern Corporation, Pessimism Overhangs Stock, February 18, 2003, p. 23.



secured term loan. Other lenders (or CSFB if it did not have an existing loan) would not have had the incentive to lend into a new credit with junk ratings and severely limited prospects for recovery.

111. In addition, the MPSC had to approve the issuance of Montana First Mortgage Bonds for the \$390 million loan. If that approval had been required before the going flat transaction, but after the serious questions about NorthWestern's viability were revealed, the MPSC would have had little incentive to grant the use of Montana First Mortgage Bonds as doing so would further expose the Montana rate payers to NorthWestern's risk.
112. As will be discussed in greater detail in the following section, members of the MPSC felt that they had been misled by NorthWestern and were concerned about the impact NorthWestern's financial condition would have on Montana consumers. This, at a time when it was not fully aware of all of NorthWestern's problems with its subsidiaries and other liquidity issues. Enumerating its disturbances, the MSPC noted specifically the fact that certain of NorthWestern's credit ratings were below investment grade as well as the significant funding requirements of the Montana First Megawatts project, Expanets, Blue Dot, and CornerStone.²⁰¹
113. In his dissenting opinion, one of the Commissioners stated,
- The applicant has presented the Commission with a "fait accompli" by using part of the credit facility used in the purchase of MPC to finance non-utility ventures. Now that it is the time to restructure the credit facility the Commission is asked to sanction the use of utility assets to secure the debt of the non-utilities as well. This has been presented to the Commission as a unique event, the applicant is in desperate financial conditions and the utility itself is threatened by the conditions that face the applicant.
- The Commission should not succumb to the exigency of imminent crisis and establish precedent that will undoubtedly be visited in the future. The non-utility businesses are beyond the regulatory scope of the Commission. Profits, losses or catastrophic failures of non-utility

²⁰¹ Department of Public Service Regulation before the Public Service Commission of the State of Montana, In the Matter of the Application of NorthWestern Corporation for Authority to Consummate a Credit Agreement and Issue \$390 Million in Principal Amount of Secured Long-Term Notes in the Form of First Mortgage Bonds, Final Order, January 27, 2003, p. 5 (NOR001610).



operations are beyond regulatory reach, hence regulated assets should not be tendered as security for those business ventures.²⁰²

114. Additionally, many of the reasons that formed the bases for the CSFB team's recommendation in November 2002, to proceed with the underwriting and syndicating of the financing to its Investment Banking Committee were later exposed to be false. These include:

- "Strong financial covenants... The proposed collateral is a first priority perfected security interest in validly issued and outstanding first mortgage bonds. The collateral represents at least 100% of the principal amount of the credit facility. NorthWestern's senior secured first mortgage bonds are rated Baa1/BBB"²⁰³
- "Credit facility will receive a private rating equal to NorthWestern Energy's senior secured rating (Baa1/BBB+)"²⁰⁴
- "NorthWestern is committed to strengthening its balance sheet and has embarked upon a program aimed at reducing debt by approximately \$900 million over the next six years, through the issuance of equity and the sale of various non-core assets."²⁰⁵
- "NorthWestern management has assumed the following in its base case projections... \$65.0 million in proceeds from the sale of Colstrip in Q3:2003 are used to repay debt at NorthWestern Energy - Montana"²⁰⁶
- "Continued improvement in unregulated businesses and full insulation from risks... Priority access to cash flows from Blue Dot and Exp@nets."²⁰⁷

115. Specifically, regarding Expanets, CSFB noted:

NorthWestern's investment in Exp@nets has created one of the nation's leading providers of networked communications and data services and solutions to medium-sized businesses.... Exp@nets plans to generate increasing cash flows from this business through organic growth by broadening the services and products it offers, focusing on higher growth and higher margin services, building recurring maintenance and service revenues and fostering existing and developing supply relationships with the leading technology companies... it is expected that Exp@nets will be

²⁰² Dissenting Opinion of Commissioner Brainard, Docket No. D2002.12.159, January 24, 2003 (NOR001617).

²⁰³ Credit Suisse First Boston Submission to the Credit Committee \$400,000,000 Senior Secured Credit Facility, November 2002, p. 7 (CSFB016305).

²⁰⁴ Credit Suisse First Boston Submission to the Credit Committee \$400,000,000 Senior Secured Credit Facility, November 2002, p. 8 (CSFB016306).

²⁰⁵ Credit Suisse First Boston Submission to the Credit Committee \$400,000,000 Senior Secured Credit Facility, November 2002, p. 18 (CSFB016316).

²⁰⁶ Credit Suisse First Boston Submission to the Credit Committee \$400,000,000 Senior Secured Credit Facility, November 2002, p. 22 (CSFB016320).

²⁰⁷ Credit Suisse First Boston Submission to the Credit Committee \$400,000,000 Senior Secured Credit Facility, November 2002, p. 8 (CSFB016306).



positioned to deliver improved performance in 2002, having generated \$56.2 million of EBITDA in the nine months ending September 30, 2003.²⁰⁸

116. Regarding Blue Dot, CSFB wrote:

NorthWestern's management has also put in place an operational improvement plan aimed at improving Blue Dot's financial performance... As a result, Blue Dot's financial performance considerably increased over the last year [2001].²⁰⁹

117. Other than the collateral (which might not have been available as described above), each of these reasons would have been proven wrong had the Company made full disclosure of its problems.

Transfer of NorthWestern Energy, L.L.C. assets

118. On November 15, 2002, the Montana utility assets and liabilities of NorthWestern Energy, L.L.C., with the exception of the Milltown Dam, were transferred to NorthWestern. When the assets were initially acquired in February 2002, they were held as a subsidiary of NorthWestern.²¹⁰ As 2002 unfolded, however, and NorthWestern's leverage and liquidity situation worsened, maintenance of NorthWestern's credit rating continued to depend on the transfer of the Montana utility assets. When it was discussed at NorthWestern's board meeting, this fact was acknowledged as the impetus for the transfer: "NorthWestern Corporation believes it is advisable for rating agency purposes to move the assets of its wholly owned subsidiary, NorthWestern Energy LLC... to the Corporation to more directly support the obligations of the Corporation".²¹¹

119. The full consequences on ratings as well other financing activities of not transferring the assets were well known to NorthWestern. As Dennis Lopach, Senior Vice

²⁰⁸ Credit Suisse First Boston Submission to the Credit Committee \$400,000,000 Senior Secured Credit Facility, November 2002, pp. 11-12 (CSFB016309-10).

²⁰⁹ Credit Suisse First Boston Submission to the Credit Committee \$400,000,000 Senior Secured Credit Facility, November 2002, p. 16 (CSFB016314).

²¹⁰ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, p. 5.

²¹¹ NorthWestern Corporation, Board of Directors meeting, Minutes of Regular Meeting, August 7, 2002 (NOR009571).



President of Administrative Services at NorthWestern in 2002,²¹² stated in his affidavit related to litigation attempting to stop the transfer, "[t]he continued ability of NOR to obtain the capital it relies upon to operate the utility businesses on reasonable terms is at risk if the restructuring is delayed. Moody's specifically noted that a delay in restructuring would likely result in a downgrade of NOR's rated debt, resulting in higher interest costs and, potentially, a reduced ability to obtain funds in the future."²¹³

120. Had the true financial situation of NorthWestern been disclosed in a timely manner during 2002, the Company's likely inability to finance itself would have clearly been established by October 2002, for all the reasons discussed above. Prior to the time of the transfer in November 2002, the equity offering would have been cancelled, there would have been a default under the Company's credit facility, and it is likely that NorthWestern would have been in a negative cash situation due to its maturing debt and would have suspended its dividend.
121. Regarding the transfer, Michael Hanson, president and CEO of NorthWestern Energy in 2002,²¹⁴ stated that in executing the officer's certificate in connection with the transfer of the assets, he relied on NorthWestern's false and misleading financial statements.²¹⁵
122. Given the dire circumstances, the transfer of the NorthWestern Energy L.L.C. assets likely would have been opposed by the stakeholders, including those holding the QUIPS, because it would have been apparent to these stakeholders that the prospects of being repaid by NorthWestern Energy L.L.C. were significantly better than the prospects of being repaid by NorthWestern.
123. Among these stakeholders would have also been the MPSC based on the concerns it expressed when NorthWestern requested approval from the Commission to issue Montana First Mortgage Bonds for the \$390 CFSB financing in early 2003. At that time the Commission stated the following concerns about the financial health of NorthWestern and its potential impact on Montana consumers:

²¹² Hanson Exhibit 11, Affidavit of Dennis Lopach, p. 2.

²¹³ Hanson Exhibit 11, Affidavit of Dennis Lopach, p. 7.

²¹⁴ "NorthWestern Energy ... was the trade name given to the utility operations in all three states..." Deposition of Michael Hanson, June 27, 2007, p. 9.

²¹⁵ Deposition of Michael Hanson, June 27, 2007, pp. 272-285.



- "The Commission views the financial condition of NorthWestern with great concern. The Commission approved NorthWestern as the purchaser of MPC's transmission and distribution systems. Since that approval the financial condition of NorthWestern has spiraled down due to non-utility activities at CornerStone Propane, Expanets, and Blue Dot. The Commission is dismayed at the erosion of NorthWestern's credit ratings to either the lowest investment grade or to junk status. The performance of the non-utility entities and the resulting threats to the provision of utility service is unacceptable to this Commission. The cost of borrowing money has been increased due to losses at the non-utility companies."²¹⁶
- "The Commission is primarily responsible to ensure that regulated energy services provided to Montana consumers are safe, adequate and reliable at rates that are just and reasonable. NorthWestern's ability to fulfill these requirements is placed at risk by its current financial conditions. Serious questions exist about the ability and commitment of NorthWestern to pursue adequate and necessary maintenance, repair and replacement of critical utility infrastructure when potential bankruptcy and survival occupy the attention of the board of directors and management."²¹⁷
- "Because the Commission has continuing concerns about the performance and prospects of Applicant's non-utility businesses, and the implications of their financial performance for utility customers, the following conditions are expressly added to this Order..." These included a requirement that proceeds from the sale of non-utility assets must be used for debt reduction, disapproval of further investments in the subsidiaries, a maintenance plan and budget for the public utility infrastructure within 45 days.²¹⁸

124. These comments were made by the MPSC in January 2003, before the restated financials were disclosed and without full knowledge of NorthWestern's financial deterioration. Full knowledge would have only served to increase the commission's concerns. As it was regarding the first mortgage bonds, the MPSC was aware of a

²¹⁶ Department of Public Service Regulation before the Public Service Commission of the State of Montana, in the Matter of the Application of NorthWestern Corporation for Authority to Consummate a Credit Agreement and Issue \$390 Million in Principal Amount of Secured Long-Term Notes in the Form of First Mortgage Bonds, Final Order, January 27, 2003, pp. 5-6 (NOR001610-11).

²¹⁷ Department of Public Service Regulation before the Public Service Commission of the State of Montana, in the Matter of the Application of NorthWestern Corporation for Authority to Consummate a Credit Agreement and Issue \$390 Million in Principal Amount of Secured Long-Term Notes in the Form of First Mortgage Bonds, Final Order, January 27, 2003, p. 9 (NOR001614).

²¹⁸ Department of Public Service Regulation before the Public Service Commission of the State of Montana, in the Matter of the Application of NorthWestern Corporation for Authority to Consummate a Credit Agreement and Issue \$390 Million in Principal Amount of Secured Long-Term Notes in the Form of First Mortgage Bonds, Final Order, January 27, 2003, pp. 8-9 (NOR001613-14).



subset of the negative news, but faced with a Hobson's choice approved the bonds. However, as described above, much of this information was known to NorthWestern's management and should have been disclosed to the public prior to the transfer. I would expect, based on the above reaction, that the MPSC would have been equally upset and concerned about the transfer of assets had they been fully informed of NorthWestern's financial difficulties at the time of the transfer.

125. Additionally supporting my belief is the fact that the negative consequences to Montana Power as a result of the acquisition by NorthWestern stand in stark contrast to the assurances provided to the MPSC by Michael Hanson prior to the acquisition. When asked to "address financial capability under two aspects: financial strength and financial flexibility", Mr. Hanson stated that,

In general, we believe that capital will be no more expensive with NorthWestern as owner of MPC than is the case today. As I indicated, NorthWestern has enjoyed consistent access to capital on reasonable terms. While our corporate structure may seem complex on first examination, it assures separation of the utility related financings from other activities, and it should not create any new or additional concerns for this Commission because MPC has itself had significant non-utility operations.²¹⁹

126. A final point that would have created yet another impediment to the transfer, further taxing the Company's liquidity, is the potential for a cross-default and acceleration on the \$40 million of notes.²²⁰ As NorthWestern would have likely been in default under its CSFB \$280 million facility, it is my understanding from counsel that the transfer would, under these circumstances, lead to an event of default on the \$40 million outstanding Montana Unsecured Medium Term Notes.²²¹

²¹⁹ Department of Public Service Regulation before the Montana Public Service Commission of the State of Montana, Joint Application of the Montana Power Company and NorthWestern Corporation, Supplemental Filing, August, 27, 2001, MJH-9 (NOR044711).

²²⁰ The Montana Power Company to Citibank, N.A., Trustee, Indenture, Dated as of December 1, 1989, Section 801(d), pp. 45-46.

²²¹ NorthWestern Form 10-Q/A for the period September 30, 2003 filed April 15, 2003, pp. 52-53.



II. Had the assets of NorthWestern Energy, L.L.C. not been transferred to NorthWestern, the QUIPS investors would have been covered by the former's assets and not junior to the debt and other liabilities of NorthWestern Corp.

127. The QUIPS, which have a liquidation value of \$65 million, were issued by a trust with \$67 million in NorthWestern Energy, L.L.C. (formerly Montana Power) subordinated debentures in assets.²²² In the notes to its 2001 10-K, NorthWestern Energy, L.L.C. described its obligations in relation to the debentures as follows:

Besides our obligations under the Subordinated Debentures, we have agreed to certain Back-up Undertakings. We have guaranteed, on a subordinated basis, payment of distributions on the Trust Securities, to the extent the Trust has funds available to pay such distributions. We also have agreed to pay all of the expenses of the Trust. Considered together with the Subordinated Debentures, the Back-up Undertakings constitute a full and unconditional guarantee of the Trust's obligations under the QUIPS.²²³

128. On September 30, 2002, according to the latest financial statements of NorthWestern Energy, L.L.C. prior to the November 15 asset transfer, the debentures were junior to \$442.5 million of long-term debt.²²⁴ NorthWestern Energy L.L.C. had tangible assets (total assets less goodwill) of \$1.2 billion and tangible assets less total liabilities of \$253.8 million, providing approximately four times coverage of the \$65 million in QUIPS.²²⁵ However, a valuation performed by the consulting firm, BearingPoint, indicated that the fair value of certain of the Montana assets were \$1.5 billion as of December 31, 2002.²²⁶ At this valuation level, the asset coverage based solely on BearingPoint's valuation provided to the QUIPS was \$575.6 million (calculated as \$1.5

²²² NorthWestern Energy, L.L.C. Form 10-K for the period December 31, 2001, Note 7.
²²³ NorthWestern Energy, L.L.C. Form 10-K for the period December 31, 2001, Note 7.

²²⁴ Long-term debt includes current maturities of long-term debt. It is my understanding that the QUIPS are contractually subordinated to the senior debt, however, NorthWestern Energy L.L.C. and NorthWestern had additional debt outstanding including trade payables, to which, in certain circumstances, the QUIPS may also be subordinated. NorthWestern Form 10-Q/A for September 30, 2002 filed April 15, 2003, Balance Sheet Consolidating Schedules, p. 21.

Total liabilities assumed by NorthWestern from Montana Power as part of the transfer were \$710 million. Objections and Responses of Defendant NorthWestern Corporation to Plaintiff's First Request for Admissions, Response to Request No. 2.

²²⁵ NorthWestern Form 10-Q/A for September 30, 2002 filed April 15, 2003, Balance Sheet Consolidating Schedules, p. 21.

²²⁶ The subject assets of this valuation include: The Montana Power Company, Canadian-Montana Pipeline Corporation, One-Call Locators, LLC, Montana Power Capital I, Discovery Energy Solutions, and Montana Power Natural Gas Funding. Current assets, spare parts inventory and the Milltown Dam environmental liability. BearingPoint Valuation Report Prepared for: NorthWestern Corporation, Determination of the Fair Value of Certain Underlying Assets acquired from Montana Power, LLC, Valuation as of December 31, 2002 (NOR266670-672).



billion less NorthWestern Energy L.L.C. total liabilities of \$924.4 million on September 30, 2002, the last day that separate financials was reported²²⁷).

129. Like NorthWestern's South Dakota and Nebraska utility assets, the Montana utility assets of NorthWestern Energy, L.L.C. generally produced stable positive results. As of November 2002, year-to-date EBITDA of the Montana segment of NorthWestern exceeded plan by 27.3% with net income exceeding plan by 134.8%.²²⁸

130. After the transfer, the QUIPS were junior to over \$1.7 billion of NorthWestern's long-term debt.²²⁹ As of December 31, 2002, however, NorthWestern had tangible assets (total assets less goodwill and other intangible assets) of \$2.2 billion and tangible assets less total liabilities of *negative* \$593.7 million.²³⁰ Additionally, NorthWestern reported an equity *deficit* of \$456 million.²³¹ Compared to the asset coverage for the QUIPS at NorthWestern Energy, L.L.C., ranging from four to eight times coverage depending on the valuation of the assets, NorthWestern provided no coverage for the QUIPS.

III. Assuming Clark Fork remained liable for the QUIPS obligations; Clark Fork would not have had the financial ability to meet those obligations.

131. Subsequent to the transfer of the Montana assets to NorthWestern on November 15, 2002, the Milltown Dam, a hydroelectric dam, was the only asset retained by Clark Fork.²³² Clark Fork did not receive any cash for the transfer of the \$1.5 billion in Montana assets²³³ and NorthWestern only assumed approximately \$700 million of certain liabilities.²³⁴

²²⁷ NorthWestern Form 10-Q/A for September 30, 2002 filed April 15, 2003, Balance Sheet Consolidating Schedules, p. 21.

²²⁸ NorthWestern Management Financial and Information Report for the Month Ended November 30, 2002, p. 7 (NOR362149).

²²⁹ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, Consolidated Balance Sheets.

²³⁰ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, Consolidated Balance Sheets.

²³¹ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, Consolidated Balance Sheets.

²³² Complaint to Avoid the Transfer of Assets of Clark Fork and Blackfoot LLC (f/k/a NorthWestern Energy LLC) to NorthWestern Corporation, April 2004, p. 7.

²³³ BearingPoint Valuation Report Prepared for: NorthWestern Corporation, Determination of the Fair Value of Certain Underlying Assets acquired from Montana Power, LLC, Valuation as of December 31, 2002 (NOR266672).

²³⁴ Complaint to Avoid the Transfer of Assets of Clark Fork and Blackfoot LLC (f/k/a NorthWestern Energy LLC) to NorthWestern Corporation, April 2004, p. 7.



132. On November 14, 2002, in a letter from NorthWestern Energy, L.L.C. to the Bank of New York, NorthWestern Energy, L.L.C. described the revenue stream and cost structure of the Milltown Dam site.²³⁵ The letter stated that from 2002 through 2010, the Milltown Dam site is expected to "lose a minimum of \$700,019.00 ... and a maximum of \$1,720,200.00."²³⁶ Also, as of December 31, 2002, "NorthWestern states that the balance sheet of Clark Fork reflected total assets of \$11,005,407 and total liabilities of \$11,005,407..."²³⁷
133. It was also reported that, "[o]n the basis of the above analysis, the Dam Site's fixed revenue stream is not sufficient to cover the projected cost to operate the generation facility. As a result, absent ownership by a vertically integrated utility under a traditional regulated utility environment, the Dam Site has no value as a stand-alone economic operating unit. In light of this fact, the Dam Site's adds no value to the overall bond indenture collateral package."²³⁸
134. Additionally, the Milltown Dam operates under a license granted by the Federal Energy Regulatory Commission ("FERC").²³⁹ Extensions for the license must be applied for five years in advance. If the extension is not approved and the license is "terminated, the FERC may require that the dam be removed. ... Based on estimates received from our environmental consultants, management believes that the cost of such removal would be approximately \$10 million."²⁴⁰
135. Given that Clark Fork had assets totaling only \$11 million with an equal amount of book liabilities, is potentially responsible for environmental remediation of approximately \$10 million if it needs to remove the dam, has an uncertain life span and

²³⁵ Letter from Michael Hanson to MaryBeth Lewicki Re: Economic Viability of Milltown Dam Hydroelectric Facility Site dated November 14, 2002 (NOR000803-04).

²³⁶ Letter from Michael Hanson to MaryBeth Lewicki Re: Economic Viability of Milltown Dam Hydroelectric Facility Site dated November 14, 2002 (NOR000804).

²³⁷ Objections and Responses of NorthWestern Corporation to Plaintiffs' Magten Asset Management Corporation and Law Debenture Trust Company of New York's First Set of Interrogatories for Defendant NorthWestern Corporation, March 27, 2007, p. 9.

²³⁸ Letter from Michael Hanson to MaryBeth Lewicki Re: Economic Viability of Milltown Dam Hydroelectric Facility Site dated November 14, 2002 (NOR000804).

²³⁹ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, p. 17.

²⁴⁰ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, p. 17.



has negative projected cash flows through 2010, the repayment of the \$65 million QUIPS liability is doubtful.²⁴¹

Dated this 19th day of September, 2007
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul A. Marcus".

PAUL A. MARCUS
Huron Consulting Services LLC
470 Atlantic Avenue, 14th Floor
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Telephone No. (617) 226-5546
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²⁴¹ NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003, F-52.

Exhibit 1
Sources Reviewed

Description	Beginning Bates #	Ending Bates #
Asset and Stock Transfer Agreement, November 15, 2002	NOR000074	NOR000163
Economic Viability of Miltown Dam Hydroelectric Facility Site	NOR0000803	NOR0000805
Company order by NorthWestern Energy	NOR0000909	NOR0000911
Officer's Certificate, November 15, 2002	NOR0000920	NOR0000921
1/27/2003 - Final Order of the Public Service commission regarding the issuance of the \$390 million	NOR001606	NOR001617
Memo, Re: Revised Proposed 2003 Operating Plan	NOR006177	NOR006219
The Montana Power vs. The Bank of New York (Trustee) Indenture, 11/1/96	NOR009214	NOR009296
Resolution of Managing Member	NOR009413	NOR009413
Board of Directors Minutes of the Special Meeting, January 2, 2002	NOR009538	NOR009539
Board of Directors Minutes of Special Meeting, March 18, 2002	NOR009551	NOR009553
Board of Directors Minutes of Special Meeting, June 21, 2002	NOR009556	NOR009567
Board of Directors Minutes of Regular Meeting, August 7, 2002	NOR009568	NOR009583
Board of Directors Minutes of Special Meeting, September 10, 2002	NOR009584	NOR009585
Board of Directors Minutes of Special Meeting, September 12, 2002	NOR009586	NOR009587
Board of Directors Minutes of Special Meeting, September 18, 2002	NOR009588	NOR009589
Board of Directors Minutes of Special Meeting, September 20, 2002	NOR009590	NOR009593
Board of Directors Minutes of Special Meeting, September 20, 2002	NOR009594	NOR009594
Board of Directors Minutes of Special Meeting, September 27, 2002	NOR009595	NOR009597
Board of Directors Minutes of Regular Meeting, November 6, 2002	NOR009598	NOR009607
Board of Directors Minutes of Special Meeting, December 9, 2002	NOR009608	NOR009609
Board of Directors Minutes of Special Meeting, December 12, 2002	NOR009610	NOR009619
Board of Directors Minutes of Special Meeting, January 3, 2003	NOR009620	NOR009622
Board of Directors Minutes of Special Meeting, January 5, 2003	NOR009623	NOR009626
Board of Directors Minutes of Regular Meeting, February 5, 2003	NOR009627	NOR009636
Board of Directors Minutes of Special Meeting, February 18, 2003	NOR009637	NOR009642
Board of Directors Minutes of Special Meeting, May 6, 2003	NOR009643	NOR009646
Board of Directors Minutes of Regular Meeting, May 6, 2003	NOR009647	NOR009662
Third Supplemental Indenture	NOR009730	NOR009736
Paul Hastings letter to the Bank of New York and Bryan Cave Re: Transfer of Assets and Liabilities by	NOR009840	NOR009935
NorthWestern Energy, LLC to NorthWestern Corporation September 28, 2002		
The Montana Power vs. The Bank of New York (Trustee) 2nd Supplemental Indenture		
Memo to Lewis/Hylland from Drock, Re: Action Plan November 15, 2002	NOR009999	NOR010005
Merrill Lynch Report 8/19/02	NOR024847	NOR024853
Morgan Stanley Report 11/11/02	NOR026480	NOR026463
Merrill Lynch Report 10/23/01	NOR026676	NOR026685
Email, Re: FW: NorthWestern Corp. Rating Lowered, Still on Credit Watch Negative	NOR029703	NOR029726
Standard and Poor's - Your Connection to Standard & Poor's Utilities Rating Team, 05/23/2003	NOR034685	NOR034688
Morgan Stanley Report 9/12/02	NOR034840	NOR034843
Morgan Stanley Report 12/16/02	NOR035348	NOR035355
NorthWestern downgraded by Fitch Ratings Dated 1/16/03	NOR035356	NOR035361
Email, Re: Audit Management Response, October 7, 2002	NOR035384	NOR035385
Joint Application of Montana Power Company and NorthWestern Corporation	NOR036614	NOR036616
Joint Application of Montana Power Company and NorthWestern Corporation - Supplemental Filing	NOR044299	NOR044695
Joint Application of the Montana Power Company and NorthWestern Corporation, Supplemental Filing,	NOR044696	NOR044743
August 27, 2001	NOR044696	NOR044743
Transcript of Proceedings of Montana Power before the Public Service Commission of the State of Montana	NOR044802	NOR044855
Management Financial and Information Report Meeting		
Morgan Stanley Report 4/25/02	NOR044943	NOR044943
Morgan Stanley Report 5/17/02	NOR053319	NOR053328
Morgan Stanley Report 6/12/02	NOR053430	NOR053433
Memo to NW Board from Orme Re: Financing and IR Plans dated June 17, 2002	NOR053449	NOR053475
Memo, Re: Update on NorthWestern Energy Integration, July 30, 2002	NOR053464	NOR053469
Memo, Re: 2003 Strategic, Operating and Finance Plan Status/ Critical Assessments-10/16/02	NOR053568	NOR053571
Board of Directors Meeting 11/5-6/02	NOR054382	NOR054382
Bear Stearns - Presentation to NorthWestern Regarding Financial Alternatives (11/6/02)	NOR054667	NOR054656
Email, Re: Bulletin, NorthWestern Corp. Ratings Remain Unchanged	NOR054683	NOR054710
Memo, Re: Financing Plans & Considerations, 5/28/02	NOR055297	NOR055299
Email, Re: Management Financial and Information Report For the Month Ended, June 30, 2002	NOR056238	NOR056245
Bear Stearns - Presentation to NorthWestern Regarding Financial Alternatives (9/20/02)	NOR057365	NOR057366
Bear Stearns - Presentation to NorthWestern Board of Directors (9/23/02)	NOR057784	NOR057792
Standard and Poor's - Your Connection to Standard & Poor's Utilities Rating Team, 12/30/02	NOR057816	NOR057826
NorthWestern Credit Analysis from Fitch February 6, 2003	NOR058328	NOR058332
Second Quarter Earning Conference Call, 8/6/2002	NOR058336	NOR058339
Memo, Re: NOR Financing Status and Recommendations - 12-7-02	NOR063168	NOR063215
Memo, Re: NorthWestern Liquidity Update-12/08/02	NOR063739	NOR063739
Memo, Re: Revised Proposed 2003 Operating Plan, October 30, 2002	NOR063891	NOR063892
Email, Re: Fiat Structure	NOR066177	NOR006219
Memo, Re: "Going Flat" Resolution, 07/31/02	NOR066670	NOR066671
Email, Re: NOR Audit Committee-Memo, November 12, 2002	NOR066673	NOR066673
Re: Disclosure Controls and Procedures required by Sarbanes Oxley Act of 2002	NOR066801	NOR066801
Moody's Investment Service - Global Credit Research Rating Action, 08/01/02	NOR067162	NOR067172
Letter to SEC, Re: NorthWestern's 10Ks (2001 & 2002) & NorthWestern Energy 10K(2001), 7/12/2002	NOR076208	NOR076209
Letter to SEC, Re: NorthWestern's 10Ks (2001 & 2002) & NorthWestern Energy 10K(2001), 08/16/2002	NOR080418	NOR080470
Letter to SEC, Re: NorthWestern's 10Ks (2001 & 2002) & NorthWestern Energy 10K(2001), 09/06/2002	NOR080471	NOR080497
Moody's Investment Service -Global Credit Research Opinion Update 12/20/02	NOR080498	NOR080505
Earnings Conference Call 8/8/2002	NOR099652	NOR099653
Email, Re: Moody's Cuts NorthWestern Corp. Senior Secured Debt	NOR099933	NOR099981
A.G. Edwards Report 1/29/02	NOR101406	NOR101406
A.G. Edwards Report 3/19/02	NOR101960	NOR058728
	NOR101965	NOR101980

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Description	Beginning Bates #	Ending Bates #
Merrill Lynch Report 10/11/01	NOR101981	NOR101985
Merrill Lynch Report 5/1/02	NOR101990	NOR101993
Merrill Lynch Report 5/17/02	NOR101994	NOR101995
Merrill Lynch Report 11/6/01	NOR102018	NOR102021
Merrill Lynch Report 1/22/02	NOR102022	NOR102023
NorthWestern Corporation Conference Call - November 7, 2002	NOR128351	NOR128389
Email, Re: First quarter earning release, April 16, 2002	NOR131551	NOR131553
Email, Re: Advancement, July 22, 2002	NOR134266	NOR134266
Bear Stearns and NorthWestern Finance Due Diligence Meeting Presentation dated August 2002	NOR134841	NOR134923
Email, Re: Comment on Daily Flash Report, June 5, 2002	NOR138256	NOR138256
Email, Re: Update on Montana Power Acquisition	NOR142389	NOR142392
A.G. Edwards Report 4/3/04	NOR162024	NOR162026
Finance Summit Session 2002	NOR182470	NOR182528
Email, Re: NCS audit, August 12, 2002	NOR184997	NOR185041
Email, Re: FAS142 valuation	NOR187173	NOR187174
NorthWestern put on negative rating watch 12/13/02	NOR209321	NOR209322
Morgan Stanley Report 11/7/02	NOR212013	NOR212018
Letter to SEC, Re: NorthWestern's 10Ks (2001 & 2002) & NorthWestern Energy* 10K(2001), 10/10/2002	NOR215521	NOR215524
Memo, Re: Cash Flow Projections-01/21/2003	NOR224637	NOR224638
Merrill Lynch Report 8/9/02	NOR234617	NOR234617
Memo, Re: NorthWestern Energy LTIP, July 9, 2002	NOR247179	NOR247181
Merrill Lynch Report 8/9/02	NOR250194	NOR250197
Bear Stearns - Presentation to NorthWestern Regarding Financial Alternatives (9/27/02)	NOR255870	NOR255876
Summary Financial Information Package	NOR259069	NOR259117
Email, Re: Final Valuation Reports- NorthWestern Corporation Assets, February 3, 2003	NOR266668	NOR266725
BearingPoint Determination of the Fair Value of Certain Underlying Asset acquired from Montana Power LLC	NOR266670	NOR266725
Email, Re: FYI-NOR- SAP Lowers NorthWestern Corp. Ratings, Off Watch	NOR285875	NOR285877
Timeline of Key Events (ultimately leading to 12/31/02 Reserve	NOR306791	NOR306843
Memo: Expanets Sub-Committee, Preliminary Report 3rd 02	NOR306825	NOR306887
Email, Re: NCS Audit update, July 31, 2002	NOR317466	NOR317467
Email, Re: Norcom Audit, September 13, 2002	NOR317471	NOR317471
Monthly Operational Update, June 21, 2002	NOR321201	NOR321296
Monthly Operational Update, July 22, 2002	NOR321356	NOR321381
Monthly Operational Update, August 9, 2002	NOR321446	NOR321464
Email, Re: Audit Report Distribution Procedures, October 31, 2002	NOR346085	NOR346090
Bear Stearns - Presentation to NorthWestern Regarding Financial Alternatives (9/12/02)	NOR349337	NOR349374
Management Financial and Info Reports, Dec 01	NOR361885	NOR361897
Management Financial and Info Reports, Jan 02	NOR361898	NOR361915
Management Financial and Info Reports, Feb 02	NOR361916	NOR361933
Management Financial and Info Reports, Mar 02	NOR361971	NOR361988
Management Financial and Info Reports, Apr 02	NOR362012	NOR362031
Management Financial and Information Report for the Month Ended, June 30, 2002	NOR362049	NOR362064
Management Financial and Information Report for the Month Ended, July 31, 2002	NOR362065	NOR362095
Management Financial and Info Reports, Aug 02	NOR362085	NOR362100
Management Financial and Info Reports, Sep 02	NOR362105	NOR362120
Management Financial and Info Reports, Oct 02	NOR362125	NOR362140
Management Financial and Info Reports, Nov 02	NOR362141	NOR362156
American Appraisal Associates Fair Value Valuation as of October 1, 2002 of Expanets and Subsidiaries Reporting Unit, Englewood, CO	NOR364566	NOR364612
American Appraisal Associates Fair Value Valuation as of October 1, 2002 of Blue Dot Services, Inc and Subsidiaries Reporting Unit, Sioux Falls, SD	NOR364662	NOR364719
Memo, Re: Expanets Sub-committee Comments, March 25, 2003	NOR365792	NOR365797
Staff Meeting/ Executive Committee Meeting, 1/28/2002	NOR365802	NOR365804
Email, from Farinas, Barbara to Smook, Karen, Re: Tuesday NOR Staff/Exec Committee Materials, February 25, 2002	NOR365805	NOR365805
American Appraisal Associates Fair Value Valuation as of January 1, 2002 of Blue Dot Services, Inc and Subsidiaries Sioux Falls, SD	NOR368769	NOR368834
American Appraisal Associates Fair Value -Continued Use Valuation as of October 1, 2002 of Blue Dot Services, Inc and Subsidiaries Reporting Unit, Sioux Falls, SD	NOR368903	NOR368957
American Appraisal Associates Fair Value Valuation as of January 1, 2002 of Expanets and Subsidiaries Englewood, CO	NOR369026	NOR369088
Third Quarter 2001 Earning Conference Call (November 6 /2001)	NOR376965	NOR379763
NorthWestern Corp Apr 30, 2002 Earning Conference Call	NOR379763	NOR379880
Memo, Re: MPC Compensation Proposal, March 18, 2002	NOR398129	NOR398135
Email, Re: Update - Billing and Collections IT Fix Schedule, July 3, 2002	NOR405327	NOR405327
Email, Re: Draft Language on Billing Adjustments, August 14, 2002	NOR405358	NOR405367
Email, Re: PRC visit (Strictly Confidential), May 18, 2002	NOR405389	NOR405389
Re: NorthWestern Energy LTIP, June 11, 2002	NOR405412	NOR405412
Email, Re: Daily Flash Report 6-12-02	NOR405494	NOR405495
Email, Re: Expanets Cash Forecast, September 1, 2002	NOR405589	NOR405597
Re: Draft 1st Quarter Forecast Release, April 7, 2002	NOR405696	NOR405696
Email, Re: Expanets Cash Forecast, August 31, 2002	NOR405820	NOR405820
Email, Re: Updated Liquidity Analysis, October 10, 2002	NOR405886	NOR405887
Email Re: Disclosure Consideration, November 21, 2002	NOR405928	NOR405930
Email, Re: Scorecard for January, January 17, 2002	NOR406191	NOR406192
Email, Re: Board, April 9, 2002	NOR406200	NOR406200
Email, from a customer regarding the Expanets Billings, July 15, 2002	NOR406244	NOR406244
Email, Re: August Update, September 6, 2002	NOR406274	NOR406278

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Description	Beginning Bates #	Ending Bates #
Email, from a customer regarding the Expanets Billings	NOR406280	NOR406280
Email, Re: Expanets Cash Forecast, September 1, 2002	NOR406468	NOR406270
Audit Report for NorthWestern Communication Solutions, October 25, 2002	NOR417960	NOR417985
Management Response to Summary Audit Report for NorthWestern Communication Solutions	NOR440099	NOR440101
Board of Directors: Governance Committee Minutes of Meeting November 5, 2002	NOR442251	NOR442252
Board of Directors Minutes of Regular Meeting, February 6, 2002	NOR442324	NOR442334
Email, Re: NOR Management Report-For the Month Ended 5-31-02	NOR458098	NOR458119
Memo, Re: Notice of Termination of Employment, May 7, 2003	NOR459183	NOR459164
NorthWestern Corp Form of Compliance Certificate Q2 2002	NOR466248	NOR466265
Email, Re: IT Issues, June 25, 2002	NOR495325	NOR495326
Email, Re: Comment on Daily Flash Report, June 5, 2002	NOR495406	NOR495406
Letter Re: in the matter of NorthWestern Corp from Paul Hastings, August 18, 2006	NOR519573	NOR519620
Report to Special Committee of the Board of Directors of NorthWestern, 4/25/03	NOR519769	NOR519827
Comprehensive Employment Agreement & Equity Participation Program for Richard R. Hyland	NOR519829	NOR519876
Index of Individuals that were interviewed	NOR519878	NOR519879
Declaration to Paul Hastings Janofsky & Walker LLP Merle Lewis	NOR519880	NOR519882
Declaration to Paul Hastings Janofsky & Walker LLP of Richard Hyland	NOR519883	NOR519667
Declaration to Paul Hastings Janofsky & Walker LLP of Kipp Orme	NOR519888	NOR519891
Declaration to Paul Hastings Janofsky & Walker LLP of Kurt Whitesel	NOR519892	NOR519898
Declaration to Paul Hastings Janofsky & Walker LLP of Michael Nieman	NOR519899	NOR519902
Declaration to Paul Hastings Janofsky & Walker LLP of Michael Hanson	NOR519904	NOR519905
Declaration to Paul Hastings Janofsky & Walker LLP of David Monaghan	NOR519907	NOR519908
Declaration to Paul Hastings Janofsky & Walker LLP of John Charters	NOR519910	NOR519912
Declaration to Paul Hastings Janofsky & Walker LLP of Richard Fresia	NOR519914	NOR519976
Declaration to Paul Hastings Janofsky & Walker LLP of Christopher Younger	NOR519977	NOR519979
Declaration to Paul Hastings Janofsky & Walker LLP of Reggie Veglianite	NOR519980	NOR519982
Declaration to Paul Hastings Janofsky & Walker LLP of Timothy Atkinson	NOR519983	NOR520015
Declaration to Paul Hastings Janofsky & Walker LLP of Lonnie S. Clark	NOR520017	NOR520029
Declaration to Paul Hastings Janofsky & Walker LLP of Martin Snelia	NOR520030	NOR520032
Declaration to Paul Hastings Janofsky & Walker LLP of Daniel K. Newell	NOR520033	NOR520037
Declaration to Paul Hastings Janofsky & Walker LLP of Robert K. Kennedy	NOR520039	NOR520064
Declaration to Paul Hastings Janofsky & Walker LLP of Daniel Rausch	NOR520066	NOR520067
Declaration to Paul Hastings Janofsky & Walker LLP of Mark Toney	NOR520068	NOR520070
Declaration to Paul Hastings Janofsky & Walker LLP of Steve Polacek	NOR520071	NOR520074
Declaration to Paul Hastings Janofsky & Walker LLP of Clifford Hoffman	NOR520075	NOR520078
Email, Re: Watchdogs, April 10, 2003	NOR520079	NOR520081
Letter, Re: Exceed Storage Allocation, April 16, 2003	NOR520092	NOR520093
Summary of Public Statements	NOR520094	NOR520110
Summary of Management Financial & Information Reports (from 12/31/01 - 11/30/02, 3/17/2003)	NOR520111	NOR520118
Board of Directors Meeting, 2/4/2002	NOR520129	NOR520328
Board of Directors Meeting, 4/26/2002	NOR520329	NOR520461
Board of Directors Meeting, 10/25/2002	NOR520464	NOR520550
Summary of Minutes of Board of Directors of Expanets, Inc and Blue Dot Services Inc.	NOR520552	NOR520554
Policy 104 Business Ethics and Conduct	NOR520555	NOR520556
Management Systems - NorthWesternAccountability Structure	NOR520557	NOR520558
Expanets Presentation - Expert Status Update	NOR520559	NOR520787
Richard R. Hyland's Resume	NOR520788	NOR520790
Board of Directors Minutes of Special Meeting - Expanets Inc, 11/06/2001	NOR520792	NOR520793
Email, Re: Financial Expectations for Expanets, December 16, 2001	NOR520794	NOR520796
Intercompany's Balance Rollforward	NOR520797	NOR520798
Email, Re: Expert System Update, January 16, 2002	NOR520799	NOR520800
Board of Directors Strategic Thinking Session with Expanets outlook for 2002	NOR520801	NOR520832
Analysis of Q1 Forecast, 02/25/2002	NOR520833	NOR520856
Email, Re: Board update on Expanets / NCG, April 9, 2002	NOR520857	NOR520858
Email, Re: Agenda for EC Call - contains presentation of Expert system billing and AR project, May 8, 2002	NOR520859	NOR520869
Email, Re: Expert System Meeting, May 10, 2002	NOR520880	NOR520882
Email, Re: PRC Visit (concerns about Operational issues at Expanets), May 19, 2002	NOR520884	NOR520884
Email, Re: 5-20-02 Daily Flash Report	NOR520886	NOR520886
Memo, Re: 3rd Party Financing, May 30, 2002	NOR520888	NOR520892
NCG/Expanets Executive Overview & Q1 Results	NOR520893	NOR520934
Report prepared by controller of Expanets detailing the status of accruals on Expanets balance sheet as of 3/31/02	NOR520935	NOR520936
Expanets - Executive Management Financial Statement	NOR520938	NOR621018
Email, Re: Cash Receipt Process, June 11, 2002	NOR521019	NOR521020
Email, Re: Confidential June 11, 2002	NOR521021	NOR521022
Email, Re: 02 Forecast, July 16, 2002	NOR521023	NOR521024
Email, Re: 02 Forecast, July 16, 2002	NOR521024	NOR521024
Email, Re: Agenda Item, July 22, 2002	NOR521025	NOR521026
Email, RE: 03 Numbers, August 2, 2002	NOR521027	NOR521028
Expanets Presentation - Financial & Performance Summary	NOR521031	NOR521055
Email, Re: Expanets Cash Flow, August 12, 2002	NOR521056	NOR521057
Email, Re: Expanets Cash Update, August 12, 2002	NOR521057	NOR521057
Email, Re: Expanets Cash Forecast, September 1, 2002	NOR521058	NOR521060
Email, Re: Expanets Cash Update, September 1, 2002	NOR521059	NOR521060
Email, Re: NOR Audit Committee, September 2, 2002	NOR521061	NOR521062
Email, Re: August Update, September 6, 2002	NOR521063	NOR521068
Email, Re: Expert AR Aging Report, September 11, 2002	NOR521069	NOR521075
Expanets Presentation- Collections Strategy Discussion	NOR521076	NOR521091
Auditor Report for year 2001	NOR521092	NOR521132

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Description	Beginning Bates #	Ending Bates #
Email, Re: Cash Situation Update, October 9, 2002	NOR521133	NOR521134
A/R Aging Summary	NOR521135	NOR521153
Email, Re: Accounting Issues/Concerns, October 21, 2002	NOR521154	NOR521155
Forecast of September 2003	NOR521156	NOR521157
2002 EBITDA Walkthrough	NOR521158	NOR521159
Email, Re: 2002 change, October 22, 2002	NOR521160	NOR521162
Executive Summary - Financial Forecast for September 30, 2002	NOR521163	NOR521164
Journal entry spreadsheet 9/30/03	NOR521165	NOR521166
Memo, Re: Expanets 2003 Operating Plan/ Executive Summary, October 31, 2002	NOR521167	NOR521169
Expanets - Operating Plan & Strategic Options Review November 2002	NOR521170	NOR521186
Memo, Re: Action Plan, 11/15/2002	NOR521187	NOR521190
Summary of Materials Provided to Board of Directors, 3/20/2003	NOR52119	NOR520128
Memo Re: Diversified Investment Resolutions NOR Board of Directors, February 3, 2003	NOR521191	NOR521206
Board of Directors Minutes of Meeting, 11/8/2001	NOR521207	NOR521235
NorthWestern EBITDA Summary	NOR521236	NOR521238
Interview of Michael Hanson by Audit Committee on November 14, 2002	NOR521699	NOR521705
Extract from the Tickler system relating to the QUIPS	BNY0105	BNY0131
Officer's Certificate, November 15, 2002	BNY-M00137	BNY-M00138
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The Montana Power vs. The Bank of New York (Trustee) 1st Supplemental Indenture	BNY-M00422	BNY-M00428
Officer's Certificate Pursuant to Section 102 of the Indenture	BNY-M00446	BNY-M00447
Moody's Investment Service - Fundamental Credit Research, 06/01/01	CSFB000017	CSFB000019
NorthWestern Corp. Material Prepared For Discussion With Moody's Investors Service-11/15/01	CSFB006365	CSFB006388
Moody's Investment Service- Fundamental Credit Research Rating Action, 04/03/00	CSFB008045	CSFB008047
Moody's Investment Service -Global Credit Research Opinion Update 09/25/01	CSFB009044	CSFB009046
Standard and Poor's- Rating Direct-Research, 12/26/01	CSFB009049	CSFB009054
Press Release: Moody's Fundamental Credit Research Opinion Update, 12/6/01	CSFB009055	CSFB009056
Email, RE: Moody's press release - 11/20/01	CSFB010284	CSFB010286
Presentation to Credit Committee related to Acquisition, 08/07/2001	CSFB011722	CSFB011734
Presentation to Credit Committee related to Acquisition, 09/14/2000	CSFB011752	CSFB011783
Memo, Re: NorthWestern Corporation \$600MM acquisition facility and \$400MM working capital Facility	CSFB011785	CSFB011789
Presentation to Credit Committee related to \$80M commitment & \$350M interim revolving credit facility,	CSFB011790	CSFB011804
Presentation to The Investment Banking Committee - 3M common shares public offering, 10/08/2001	CSFB012110	CSFB012134
Presentation to The Investment Banking Committee - \$200M trust preferred stock public offering, 12/06/2001	CSFB012455	CSFB012479
Rating Agency Presentation, 10/16/2001	CSFB015640	CSFB015668
Memo, Re: Update for investment Banking Committee-NorthWestern Corporation Trust preferred securities, 01/21/2001	CSFB015772	CSFB015775
Memo, Re: \$400M senior securities credit facility	CSFB016291	CSFB016297
Submission to the Credit Committee-\$400M senior credit facility	CSFB016298	CSFB016341
Presentation to Investment bank committee related to \$600M rule 144A senior unsecured notes	CSFB018644	CSFB018669
Rating Agency Presentation, 08/2001	CSFB15172	CSFB015151
Minutes of Initial Meeting of Board of Directors of NorthWestern Energy, April 22, 2002	DT006446	DT006448
Condensed Consolidated Financial Statements of NorthWestern Corp by Deloitte & Touche LLP	DT006600	DT006606
NorthWestern Corp Form of Compliance Certificate Q3 2002	DT007340	DT007347
10Q, Period 3/31/2002	N/A	N/A
10Q, Period 6/30/02	N/A	N/A
8-K, 5/1/2002	N/A	N/A
8-K, 8/8/2002	N/A	N/A
Affidavit of Dennis Lopach	N/A	N/A
AG Edwards Report 3/13/00	N/A	N/A
AG Edwards Report 3/3/99	N/A	N/A
Amended Notice of Deposition (Bart Thielbar)	N/A	N/A
Answer to the complaint of the plaintiff Magten Asset Management Corporation, July 23, 2004	N/A	N/A
Baird Utility Monthly, September 2002	N/A	N/A
Bear Stearns Monthly Utility Review, 10/18/02	N/A	N/A
Bear Stearns Utility Review, 6/4/02	N/A	N/A
Bear Stearns Utility Review, 8/9/02	N/A	N/A
Bloomberg Stock Quote Data	N/A	N/A
CIBC Report 12/17/98	N/A	N/A
Complaint - SEC vs. Hylland	N/A	N/A
Complaint - SEC vs. Lewis	N/A	N/A
Complaint - SEC vs. Orme	N/A	N/A
Complaint - SEC vs. Thielbar/ Monaghan/ Beachler/ Quanandi/ Griswold	N/A	N/A
Complaint - SEC vs. Whitesel	N/A	N/A
Complaint and Demand for Jury Trial	N/A	N/A
Complaint in SEC v. Thielbar, Monaghan, Beachler, Quam, and Griswold	N/A	N/A
Complaint to Avoid the Transfer of Assets of Clark Fork and Blackfoot LLC (f/k/a NorthWestern Energy LLC)	N/A	N/A
to NorthWestern Corporation	N/A	N/A
Concordance and Condensed Transcript (Mary Lewicki 5/2/07)	N/A	N/A
Consent of Richard R. Hylland	N/A	N/A
Deposition of Bart Thielbar	N/A	N/A
Deposition of Drock, Gary, April 25, 2007	N/A	N/A
Deposition of Eric Jacobsen	N/A	N/A
Deposition of Ernie Kindt	N/A	N/A
Deposition of Ernie Kindt	N/A	N/A
Deposition of Kendall Kilewer	N/A	N/A
Deposition of Kipp Orme, 4/12/2007	N/A	N/A
Deposition of Merle Lewis	N/A	N/A

Exhibit 1
Sources Reviewed

Description	Beginning Bates #	Ending Bates #
Deposition of Michael J. Hanson	N/A	N/A
Deposition of Michael Nieman	N/A	N/A
Deposition of Rich Fresia, 4/30/2007	N/A	N/A
Deposition of Richard Hylland, 5/2/2007	N/A	N/A
Deutsche Bank Electric Power Monthly, 4/2/02	N/A	N/A
Deutsche Bank Report 7/18/00	N/A	N/A
Deutsche Bank Report 7/23/99	N/A	N/A
Deutsche Bank Securities Inc., US Electric Power Industry, 10/4/02	N/A	N/A
Deutsche Bank Securities Inc., US Electric Power Review Industry Quarter Earnings Review, 5/13/02	N/A	N/A
Deutsche Bank, US Electric Power Monthly, 10/7/02	N/A	N/A
Deutsche Bank, US Electric Power Monthly, 12/6/02	N/A	N/A
Duff & Phelps Credit Ratings - Credit Analysis - 11/3/1998	N/A	N/A
Duff & Phelps Credit Ratings - Credit Analysis - 2/3/1999	N/A	N/A
Duff & Phelps Credit Ratings - Credit Analysis - 6/2/1999	N/A	N/A
Duff & Phelps Credit Ratings - Credit Analysis - 8/10/1998	N/A	N/A
Duff & Phelps Credit Ratings - Credit Analysis - 9/10/1999	N/A	N/A
Duff & Phelps Credit Ratings - Credit Analysis - 9/15/1998	N/A	N/A
Duff & Phelps Credit Ratings - Credit Analysis - 9/8/1999	N/A	N/A
Duff & Phelps Credit Ratings - Press Release - 4/13/1998	N/A	N/A
Email, Re: NCS Audit, April 6, 2003	N/A	N/A
Email, Re: NCS audit, March 20, 2003	N/A	N/A
Email, Re: Resolving Audit Issues, September 18, 2002	N/A	N/A
Expert Report of Robert W. Berliner, CPA, CFE	N/A	N/A
Final Judgment as to Defendant Richard R. Hylland	N/A	N/A
Fitch Affs NorthWestern Corp's FMBs 'A+' - Sr Unsec 'A' - 8/28/2000	N/A	N/A
Fitch Downgrades NorthWestern Corp Sec to BBB+ - Outlook Negatives - 10/14/2002	N/A	N/A
Fitch Downgrades NorthWestern Corp Sr. Sec. Rating to 'A-' - 12/7/2001	N/A	N/A
Fitch Global Power North America Credit update for NorthWestern Corp. 10/10/00	N/A	N/A
Fitch IBCA, Duff & Phelps - Global Power North America Credit Update	N/A	N/A
Fitch Rates NorthWestern Corp \$100M Trust Pfb 'BBB' - 1/28/2002	N/A	N/A
Fitch Rates NorthWestern's \$100MM Trust Securities 'BBB' - 12/18/2001	N/A	N/A
Fitch Ratings Global Power / North America Credit Analysis for NorthWestern Corp., 2/6/03	N/A	N/A
Fitch Ratings Places NorthWestern on Rating Watch Negative - 12/13/2002	N/A	N/A
FT.com Article: US GDP weaker than expected 7/31/02	N/A	N/A
HSBC Report 8/13/02	N/A	N/A
In Re: Magten Asset Management Corp v. NorthWestern Corp, Witness: Merle Lewis	N/A	N/A
International Monetary Fund, Global Financial Stability Report Market Developments and Issues December 2002	N/A	N/A
International Monetary Fund, Global Financial Stability Report Market Developments and Issues June 2002	N/A	N/A
International Monetary Fund, Global Financial Stability Report Market Developments and Issues March 2002	N/A	N/A
Kiewit's stipulated Protective Order	N/A	N/A
Management response to NCS audit findings, April 10, 2003	N/A	N/A
Market Watch Article: Q2 GDP Left unrevised at 1.1% Growth 8/29/02	N/A	N/A
Mergent FIS - History & Debt 11/7/2000	N/A	N/A
Mergent FIS - History & Debt 12/11/1999	N/A	N/A
Mergent FIS - History & Debt 1999	N/A	N/A
Mergent FIS - History & Debt 2/20/2001	N/A	N/A
Mergent FIS - History & Debt 8/1/2001	N/A	N/A
Mergent FIS - History & Debt 8/7/1999	N/A	N/A
Montana Power to Citibank, N.A., Trustee, indenture dated as of December 1, 1989	N/A	N/A
Moody's Definition and Standard and Poor's Ratings (Bond Guide)	N/A	N/A
Moody's Investors Service - History & Debt 3/7/1998	N/A	N/A
Moody's Investors Service - History & Debt 4/18/1998	N/A	N/A
Moody's Investors Service - History & Debt 7/11/1998	N/A	N/A
Moody's Investors Service - History & Debt 7/4/1998	N/A	N/A
Moody's Investors Service - History & Debt - 10/23/1999	N/A	N/A
Moody's Investors Service - History & Debt - 11/28/1998	N/A	N/A
Moody's Investors Service - History & Debt - 12/12/1998	N/A	N/A
Moody's Investors Service - History & Debt - 12/26/2000	N/A	N/A
Moody's Investors Service - History & Debt - 2/14/1998	N/A	N/A
Moody's Investors Service - History & Debt - 6/12/1999	N/A	N/A
Moody's Investors Service - History & Debt - 6/6/1998	N/A	N/A
Moody's Investors Service - History & Debt - 6/7/2000	N/A	N/A
Moody's Investors Service - History & Debt 10/23/1998	N/A	N/A
Moody's Investors Service - History & Debt 12/19/1998	N/A	N/A
Moody's Investors Service - History & Debt 5/8/1999	N/A	N/A
NorthWestern Corp Organizational Structure	N/A	N/A
NorthWestern Corp. Form 424B2 filed 10/3/02	N/A	N/A
NorthWestern Corporation 2004-2006 Financial Projections	N/A	N/A
NorthWestern Corporation Form 10-K (12/31/02) Filed 4/15/03	N/A	N/A
NorthWestern Corporation Form 10-K (12/31/03) Filed 3/15/04	N/A	N/A
NorthWestern Corporation Form 10-K (12/31/99) Filed 3/30/00	N/A	N/A
NorthWestern Corporation Form 10-K405 (12/31/00) Filed 4/2/01	N/A	N/A
NorthWestern Corporation Form 10-K405 (12/31/01) Filed 4/1/02	N/A	N/A
NorthWestern Corporation Form 10-Q (3/30/00) Filed 5/30/00	N/A	N/A
NorthWestern Corporation Form 10-Q (3/31/01) Filed 5/15/01	N/A	N/A
NorthWestern Corporation Form 10-Q (3/31/02) Filed 5/15/03	N/A	N/A
NorthWestern Corporation Form 10-Q (3/31/99) Filed 5/17/99	N/A	N/A

Exhibit 1
Sources Reviewed

Description	Beginning Dates #	Ending Dates #
NorthWestern Corporation Form 10-Q (6/30/00) Filed 8/14/00	N/A	N/A
NorthWestern Corporation Form 10-Q (6/30/01) Filed 8/14/01	N/A	N/A
NorthWestern Corporation Form 10-Q (6/30/02) Filed 8/14/02	N/A	N/A
NorthWestern Corporation Form 10-Q (6/30/99) Filed 8/16/99	N/A	N/A
NorthWestern Corporation Form 10-Q (9/30/00) Filed 11/13/00	N/A	N/A
NorthWestern Corporation Form 10-Q (9/30/01) Filed 11/13/01	N/A	N/A
NorthWestern Corporation Form 10-Q (9/30/02) Filed 11/14/02	N/A	N/A
NorthWestern Corporation Form 10-Q (9/30/99) Filed 11/15/99	N/A	N/A
NorthWestern Corporation Form 10-Q/A (3/31/02) Filed 4/15/03	N/A	N/A
NorthWestern Corporation Form 10-Q/A (3/31/02) Filed 9/20/02	N/A	N/A
NorthWestern Corporation Form 10-Q/A (6/30/00) Filed 4/15/03	N/A	N/A
NorthWestern Corporation Form 10-Q/A (6/30/00) Filed 9/20/02	N/A	N/A
NorthWestern Corporation Form 10-Q/A (9/30/02) Filed 11/19/02	N/A	N/A
NorthWestern Corporation Form 10-Q/A (9/30/02) Filed 4/15/03	N/A	N/A
NorthWestern Corporation Form 8-K (10/8/02)	N/A	N/A
NorthWestern Corps \$150MM Notes Rated 'A' by Fitch - 9/22/2000	N/A	N/A
NorthWestern: Corps on Rating Watch Neg by Fitch on Acq News - 10/2/2000	N/A	N/A
NorthWestern Corps. Placed on Rating Watch negative by Fitch Ratings - 8/1/2002	N/A	N/A
NorthWestern Corps's \$720 MM Sr Notes Rated 'BBB+' by Fitch Ratings - 3/8/2002	N/A	N/A
NorthWestern Energy LLC Form 10-K for the period December 31, 2001	N/A	N/A
NorthWestern Energy vs. Montana Power Company	N/A	N/A
NorthWestern Press Release - 9-15-03	N/A	N/A
Notice of Deposition of NorthWestern Corp. Pursuant to Rule 30(b)(6)	N/A	N/A
Notice of Service of Subpoena (Rick Fresia)	N/A	N/A
Objections and Responses of Defendant NorthWestern Corporation to Plaintiff's First Request for Admissions	N/A	N/A
Order Instituting Cease-And-Desist Proceedings, Making Findings And Imposing a Ceased-And-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934	N/A	N/A
PaineWebber Report 1/12/00	N/A	N/A
PaineWebber Report 1/15/99	N/A	N/A
PaineWebber Report 10/16/00	N/A	N/A
PaineWebber Report 11/16/98	N/A	N/A
PaineWebber Report 11/23/99	N/A	N/A
PaineWebber Report 4/26/00	N/A	N/A
PaineWebber Report 8/3/00	N/A	N/A
PaineWebber Report 8/6/99	N/A	N/A
Press Release for NorthWestern Corp dated 1/18/02	N/A	N/A
Press Release for NorthWestern Corp dated 1/27/03	N/A	N/A
Press Release for NorthWestern Corp dated 10/12/01	N/A	N/A
Press Release for NorthWestern Corp dated 10/18/02	N/A	N/A
Press Release for NorthWestern Corp dated 10/2/02	N/A	N/A
Press Release for NorthWestern Corp dated 10/21/02	N/A	N/A
Press Release for NorthWestern Corp dated 10/22/02	N/A	N/A
Press Release for NorthWestern Corp dated 10/30/00	N/A	N/A
Press Release for NorthWestern Corp dated 11/1/00	N/A	N/A
Press Release for NorthWestern Corp dated 11/26/02	N/A	N/A
Press Release for NorthWestern Corp dated 11/6/01	N/A	N/A
Press Release for NorthWestern Corp dated 11/7/01	N/A	N/A
Press Release for NorthWestern Corp dated 11/7/02	N/A	N/A
Press Release for NorthWestern Corp dated 11/8/02	N/A	N/A
Press Release for NorthWestern Corp dated 12/13/02	N/A	N/A
Press Release for NorthWestern Corp dated 12/18/02	N/A	N/A
Press Release for NorthWestern Corp dated 2/10/03	N/A	N/A
Press Release for NorthWestern Corp dated 2/19/03	N/A	N/A
Press Release for NorthWestern Corp dated 2/2/03	N/A	N/A
Press Release for NorthWestern Corp dated 2/6/03	N/A	N/A
Press Release for NorthWestern Corp dated 2/7/02	N/A	N/A
Press Release for NorthWestern Corp dated 2/8/01	N/A	N/A
Press Release for NorthWestern Corp dated 4/1/03	N/A	N/A
Press Release for NorthWestern Corp dated 4/15/02	N/A	N/A
Press Release for NorthWestern Corp dated 4/16/03	N/A	N/A
Press Release for NorthWestern Corp dated 4/30/02	N/A	N/A
Press Release for NorthWestern Corp dated 5/1/02	N/A	N/A
Press Release for NorthWestern Corp dated 5/15/03	N/A	N/A
Press Release for NorthWestern Corp dated 5/16/02	N/A	N/A
Press Release for NorthWestern Corp dated 5/17/02	N/A	N/A
Press Release for NorthWestern Corp dated 5/23/03	N/A	N/A
Press Release for NorthWestern Corp dated 5/3/00	N/A	N/A
Press Release for NorthWestern Corp dated 5/3/01	N/A	N/A
Press Release for NorthWestern Corp dated 7/1/02	N/A	N/A
Press Release for NorthWestern Corp dated 7/19/01	N/A	N/A
Press Release for NorthWestern Corp dated 7/23/02	N/A	N/A
Press Release for NorthWestern Corp dated 8/14/03	N/A	N/A
Press Release for NorthWestern Corp dated 8/2/00	N/A	N/A
Press Release for NorthWestern Corp dated 8/2/01	N/A	N/A
Press Release for NorthWestern Corp dated 8/8/02	N/A	N/A
Press Release for NorthWestern Corp dated 9/15/03	N/A	N/A
Press Release: NorthWestern and PPL Montana Reach Agreement in Principle to Settle Litigation Claims, May 4, 2005	N/A	N/A
Press Release: NorthWestern Lowers Guidance for Estimated 2002 Results 12/13/02	N/A	N/A

Exhibit 1
Sources Reviewed

Description	Beginning Dates #	Ending Dates #
Press Release: Fitch Affs NorthWestern Corp's FMBs 'A+', Sr Unsec 'A', 8/28/2000	N/A	N/A
Press Release: Fitch Downgrs NorthWestern Corp. & Places Rtg on Watch Neg. 8/4/03	N/A	N/A
Press Release: Fitch Downgrs NorthWestern Corp. Unsec'd Debt to 'DD'; on Chapter 11 Filing, 9/15/03	N/A	N/A
Press Release: Fitch Dwngr NorthWestern Corp. Sr Sec To 'BBB+', Outlook Negative, 10/14/02	N/A	N/A
Press Release: Fitch Ratings Downgrades Cornerstone Propane Partners, L.P. to 'D', 8/6/02	N/A	N/A
Press Release: Fitch Ratings Lowers NorthWestern's Senior Unsec to 'B+', Rating Outlook Negative, 4/23/03	N/A	N/A
Press Release: Fitch Ratings Raises NorthWestern's Secured Rating to 'CCC', 9/29/03	N/A	N/A
Press Release: Moody's assigns Baa2 Rating to NorthWestern Corporation's Planned \$700 Million Note Offering, (3/5/02)	N/A	N/A
Press Release: Moody's Confirms Credit ratings of NorthWestern Corporation following announced strategic business alliance, 4/3/00	N/A	N/A
Press Release: Moody's Downgrades NorthWestern Debt Rating Two Levels to Baa3, 12/20/03	N/A	N/A
Press Release: Moody's Downgrades Ratings of NorthWestern Corporation (Sr. Sec. To B2); Rating Outlook is Negative, 4/25/03	N/A	N/A
Press Release: Moody's Liquidity Risk Assessment, 6/12/02	N/A	N/A
Press Release: NorthWestern Corp On Rating Watch Neg by Fitch on Acq News, 10/2/00	N/A	N/A
Press Release: NorthWestern Corp. \$150MM notes rated 'A' by Fitch, 9/22/00	N/A	N/A
Press Release: NorthWestern Corp. Placed On Rating Watch Negative By Fitch Ratings, 8/1/02	N/A	N/A
Press Release: NorthWestern Corporation Completes Reorganization of Montana Utility Operations, 11/20/02	N/A	N/A
Press Release: NorthWestern Corp's \$720MM Sr Notes Rated 'BBB+' By Fitch Ratings, 3/8/02	N/A	N/A
Press Release: NorthWestern Downgraded by Fitch Ratings; Rating Outlook Negative, (1/16/03)	N/A	N/A
Press Release: NorthWestern Enters into \$390 Million Secured Credit Facility, 12/18/02	N/A	N/A
Press Release: NorthWestern Falls After S&P Cuts Debt to Junk Status, 12/31/02	N/A	N/A
Press Release: NorthWestern Preferred Stock Rating Lowered to 'C', Still on Watch Negative, 5/23/03	N/A	N/A
Press Release: Standard And Poors Research update on NorthWestern Corp., 12/30/02	N/A	N/A
Press Release: Standard And Poors Research update on NorthWestern Corp., 5/23/03	N/A	N/A
Rating Action: Moody's Downgrades Rating's of NorthWestern Corporation (Sr. Sec. To Baa3); Continues to Review Ratings for Possible Further Downgrade, 12/20/02	N/A	N/A
RBC Capital Markets Report 2/18/03	N/A	N/A
RBC Capital Markets Report 2/20/03	N/A	N/A
RBC Capital Markets Report 4/1/03	N/A	N/A
RBC Capital Markets Report 4/17/03	N/A	N/A
RBC Capital Markets Report 5/27/03	N/A	N/A
RBC Capital Markets Report 8/25/03	N/A	N/A
RBC Capital Markets Report 9/15/03	N/A	N/A
RBC Capital Markets Report 9/16/03	N/A	N/A
Responses and objections of NorthWestern Corporation to plaintiffs' Magten Asset Management Corporation and Law Debenture Trust Company of New York's first set of interrogatories for defendant NorthWestern Corporation	N/A	N/A
S&P Corporate Ratings Criteria Report - 2002	N/A	N/A
S&P Corporate Ratings Criteria Report - 2006	N/A	N/A
Salomon smith Barney Industry Note utilities, 10/8/02	N/A	N/A
Salomon Smith Barney, Electric Utilities Weekly Energy Wire, 11/26/02	N/A	N/A
Salomon Smith Barney, Multi-Company Note, Electric Utilities, 10/18/02	N/A	N/A
SEC vs. Merle Lewis	N/A	N/A
Second Amended and Restated Disclosure statement Pursuant to Section 1125 of the Bankruptcy Code for the Plan of Reorganization of the Debtor	N/A	N/A
Standard and Poor's Bond Index	N/A	N/A
Stipulated Protective Order	N/A	N/A
Stipulated Protective Order of B. Thielbar, June 14, 2007	N/A	N/A
Stipulated Protective Order of Merle Lewis, June 20, 2007	N/A	N/A
Stipulated Protective Order, Michael Hanson, June 27, 2007	N/A	N/A
Structure of NorthWestern: Post Montana Power Acquisition, Prior to Going Flat	N/A	N/A
Subpoena in a Civil Case for Gary Crook	N/A	N/A
UBS Warburg Report 11/7/02	N/A	N/A
UBS Warburg Report 12/15/00	N/A	N/A
UBS Warburg Report 2/6/01	N/A	N/A
UBS Warburg Report 4/17/02	N/A	N/A
UBS Warburg Report 4/30/02	N/A	N/A
UBS Warburg Report 7/18/02	N/A	N/A
UBS Warburg Report 9/4/02	N/A	N/A
UBS Warburg Report, 5/20/02	N/A	N/A



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Huron
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Exhibit 2

Curriculum Vitae

Paul has over 20 years of experience in the areas of advising clients in commercial disputes or litigation, corporate finance, security valuation, investment decision making, performing independent fundamental research, strategic planning and financial analysis, raising and providing capital, originating, structuring, and negotiating complex financial transactions. Paul has provided services in a wide array of industries including technology (hardware and software), biotechnology, manufacturing, distribution, professional services, utilities, telecommunications, and textiles.

Professional experience

Prior to joining Huron, Paul was a Principal in the Dispute and Investigative Advisory Practice of Tofias PC and a Senior Expert at the Michel/Shaked Group. In prior positions, he was a Managing Director and co-founder of Corporate Finance Advisors, Inc. and a Vice President in the Corporate Finance Group at Shawmut Bank where he completed numerous engagements in the areas of mergers and acquisitions, leveraged buyouts, private placements, financial advisory services and valuations. Before his corporate finance role at Shawmut, Paul was the Director of Finance of a start-up business, an Investment Officer with Marlborough Capital Advisors (a mezzanine fund), a Vice President in the Project Finance Group at Shawmut Bank and an Assistant Vice President in the Utilities/Telecommunications Group at Bank of America.

Representative litigation experience

- Retained as expert to provide financial analysis, valuation of securities and the calculation of damages. Expert Report Submission and Trial Testimony. (First Marblehead Corp. v. Gregory J. House, United States District Court, District of Massachusetts, Civil Action 04-11263PBS).
- Retained as expert to evaluate the sales process undertaken by SSA, and to assess if the methodologies used to determine the fairness of the transaction in the fairness opinion provided by the external investment banker were objective and provided a reasonable basis for the Board to conclude that the acquisition price was a fair price. Expert Report Submission. (Steven Fisch On Behalf of Himself and All Others Similarly Situated v. SSA Global Technologies, Inc., Certain Individuals, Cerberus Capital Management, L.P. and General Atlantic LLC, Circuit Court of Cook County, Illinois Case No. 06-CH-10636).
- Retained as expert to provide analysis of the loan underwriting practices of Amresco, a non-bank finance company that was engaged in the securitized lending business. The analysis included among other things a review of the underwriting process, the actual loans that were unwritten and their adherence to representations made by Amresco. The analysis also included a review of the lending pool's characteristics and performance including default rates. Expert Report Submission, Deposition Testimony and Trial Testimony. (Neuro-Rehab Associates, Inc. and Neuro-Rehab Associates v. Amresco Commercial Finance, LLC and First Union Trust Company, N.A. as Owner Trustee of the ACLC Business Loan Receivables Trust 1999-2, United States District Court, District of Massachusetts, Civil Action 1:05-cv-12338).
- Retained as expert to provide analysis on business operations and financing strategy, uses of capital, business valuation and damages. Expert Report Submission. (Hutchison, Inc. et al v. KPMG LLP and Gary Powell, District Court, Adams County, Colorado).
- Retained as expert to provide analysis on business valuation and damages. Expert Report Submission and Deposition Testimony. (Wayne J. Archambo v. Boston Partners Asset Management L.P., Boston Partners, Inc. et al, Commonwealth of Massachusetts Superior Court Docket No. 03-00277).



- Retained as expert to provide analysis on business valuation, mergers and acquisitions, and damages. Provided rebuttal report critiquing two opposing experts' reports. Expert Report Submission, Rebuttal Report Submission, and Deposition Testimony. (In re marchFirst, Inc. et al., Debtors - Andrew J. Maxwell, not Individually, but as Chapter 7 Trustee for the bankruptcy estates of marchFirst, Inc. v. KPMG, LLP, United States Bankruptcy Court for the Northern District of Illinois, Eastern Division).
- Retained as expert to provide analysis on securities valuation, mergers and acquisitions, and damages. Provided rebuttal report critiquing opposing expert's report. Expert Report Submission, Rebuttal Report Submission and Deposition Testimony. (In re BankAmerica Corp. Securities Litigation, United States District Court, Eastern District of Missouri, MDL Docket No. 1264).
- Retained as expert to provide analysis on business valuation and damages relating to the value of an internet division spun-off to the Chairman of Penton Media. Expert Report Submission and Deposition Testimony. (Ariff Alidina, et al. v. Penton Media, Inc., et al., United States District Court, Southern District of New York, Case No. 98-CV-8474).
- Retained as expert to provided analysis on business combinations, valuation, mergers and acquisitions, and damages. Expert Report Submission. (In re Carleton Woolen Mills, Inc. - P.J. Perrino, Trustee v. John R. Corrin, et al., United States Bankruptcy Court, District of Maine, Case No. 00-10214 (Adv. No. 01-1041)).
- Retained as expert to provide analysis of a sale transaction and related contractual dispute, valuation, and damages of a Biodiesel Fuel business. Settled Prior to Expert Report Submission. (Gene J. Gebolys v. Gulf Oil Limited Partnership and World Energy Alternatives, LLC, Commonwealth of Massachusetts Superior Court, Civil Action No. 06-3179-BLS2).
- Retained as expert to provide analysis on valuation, deepening insolvency, acquisition strategy, Board of Director's behavior, financing strategy and damages. Settled Prior to Expert Report Submission. (Styling Technology Corporation v. Jay Ozer, Arthur Andersen LLP et al., Superior Court of the State of Arizona, County of Maricopa, Case No. CV2002-016836).
- Retained as expert to determine if the fiduciaries of the Genuity Savings Plan 401(k) violated the ERISA by buying and holding Genuity's stock in the Company Stock Plan during a time of greatly diminished prospects for the Company and to determine losses, if necessary. Settled Prior to Expert Report Submission. (Genuity Savings Plan No. 001: DOL File No. 04-37839, U.S. Department of Labor, Employee Benefits Security Administration).
- Retained as expert to provided analysis on the allocation of membership interests in an LLC based on new investments. Expert Report Submission. (In re Edwin A. McCabe, Debtor - Joseph Braunstein, Chapter 7 Trustee of Edwin A. McCabe, Plaintiff v. George Panagiotou, GEDCO, LLC, Defendants, United States District Court for the District of Massachusetts).
- Retained as consulting expert to provided analysis of business valuation, leveraged ESOP's and potential damages. (Undisclosed Electronics Company, Employee Stock Ownership Plan, U.S. Department of Labor, Employee Benefits Security Administration).
- Retained as a consulting expert by John Hancock Financial Services, Inc. to develop a recovery strategy, analyze potential net worth covenant defaults under an existing bondholder agreement and establish the zone of insolvency of a pharmaceutical company that improperly accounted for a significant contingent liability. The analysis and advice contributed to a favorable settlement, which included the repayment of nearly all of the loan, interest and expenses.
- Provided analysis on deepening insolvency, valuation and damages as a result of restated accounting statements. (Leasing Solutions, Inc. - Paul Renner v. Hal J. Krauter, et al., Paul Renner v. Deloitte & Touche, LLP, Superior Court of the State of California, County of Santa Clara, Case No. 1-02-CV-807186).
- Provided analysis of wireless telecommunication industry, identified major industry trends and supported the commercial reasonableness of Sprint's contractual relationships with its iPCS affiliate. Case settled prior to any submissions. (Sprint Corporation v. Official Committee of Unsecured Creditors of iPCS, Inc., United States District Court, Northern District of Georgia, Case No. 03-CV-2815).
- Provided analysis relating to an asbestos trust structure and to determine the financial health and value of HAL in terms of HAL's proposed bankruptcy filing. HAL's intent was to file for bankruptcy and as part of the restructuring establish a separate trust to handle asbestos claims. The clients (insurance companies) were concerned that HAL would not contribute a fair share of its assets to the trust. Thus, the insurance companies would carry a greater burden of settling the asbestos claims. (In re Halliburton).
- Provided analysis on valuation and determined damages resulting from Shell Oil's pricing practices, its method for setting lease rates to individual gas stations and the resulting loss of business value. (In re Shell Oil Products Co. Dealer Franchisees Litigation, United States District Court for the District of Massachusetts).



- Provided analysis on valuation, the potential effects on the exchange ratio of a merger in which material information was withheld, and damages. Provided Testimony at Mediation. (William F. Smalley, Jr. (a shareholder of Ecoscience Corporation) v. Michael DeGiglio et al., In the Court of Chancery of the State of Delaware in and for New Castle County, Civil Action No. 18733NC).
- Provided analysis of valuation and damages resulting from the sale and subsequent repurchase of two businesses to a roll-up company where material information was withheld from the selling parties. (TTR Enterprises, Timm T. Runnion, et al. v. Deloitte & Touche LLP, Christopher P. Massey, et al., American Arbitration Association).
- Retained as expert to provide valuation of a 54.407% interest in Undisclosed Real Estate, Inc., a 97.4% Limited Partner Interest in the Undisclosed Limited Partnership, and a 1% General Partner Interest in the Undisclosed Limited Partnership. Determined appropriate marketability and minority discounts. Expert Report Submission. (Estate of Undisclosed v. Commissioner, United States Tax Court, Docket No. 2738-03).
- Prepared rebuttal report as consulting expert critiquing the plaintiff's assessment of lost profit damages. The analysis resulted in the plaintiff's expert report being disqualified in a Daubert motion. (Steward Machine Company v. White Oak Corporation, et al., United States District Court for the District of Connecticut).
- Retained as expert to provide analysis on damages (lost profit and disgorgement of profits) related to the defection of certain brokers. Expert Report submitted to Attorneys but settled prior to Arbitration Hearing. (Merrill Lynch, Pierce, Fenner & Smith Incorporated v. Thomas G. Bishop et al. and Morgan Stanley DW, Inc., National Association of Securities Dealers, Inc. Arbitration, NASD No. 04-07906).
- Retained as expert to provide analysis on damages (lost profit and disgorgement of profits) related to the defection of certain brokers. Settled Prior to Expert Report Submission. (Morgan Stanley DW, Inc. v. Robert Clayton and Wachovia Securities, LLC, National Association of Securities Dealers, Inc. Arbitration, NASD No. 04-04875).
- Retained as consulting expert to provide analysis on mergers and acquisitions, valuation and damages to a minority shareholder resulting from fraudulent actions by the majority shareholder. (Robert J. Zammito et al. v. Harry W. Healey et al., United States District Court for the district of Massachusetts, Civil Action No: 04-10161-REK).

Representative corporate finance experience
Mergers & Acquisitions

- Originated transaction, performed due diligence, drafted information memorandum, led the negotiations, advised seller on all aspects of structure and closing for the exclusive sale of Agility Incorporated.
- Performed due diligence, drafted information memorandum, led the negotiations, and advised seller on all aspects of structure and closing for the exclusive sale of a division of Mercury Computer Systems, Inc.
- Originated transaction, advised on valuation, assisted in the negotiations, and advised on all aspects of structure and closing for the exclusive sale of Medical & Technical Research.
- Performed due diligence, drafted information memorandum, and assisted in structuring and negotiations for the leveraged recapitalization of Duro Industries, Inc.
- Originated transaction, performed due diligence, drafted information memorandum, led the negotiations, and advised seller on all aspects of structure and closing for the exclusive sale of Remanco International, Inc.
- Performed due diligence, analyzed various aspects of a potential acquisition including valuation model, proposed price and structure, and advised on the letter of intent and closing document negotiations for Charles River Associates, Inc.
- Performed due diligence, drafted information memorandum, assisted in all negotiations, and was responsible for all aspects of the closing for the exclusive sale of Research Biochemicals, Inc.
- Performed buyer due diligence, analyzed all aspects of a potential acquisition, and proposed price and structure for Inc. Magazine.
- Performed due diligence, drafted information memorandum, assisted in all negotiations, and was responsible for all aspects of the closing of the exclusive sale of Neuro Imaging Technologies, LLC.
- Prepared information memorandum and assisted in the negotiations of the exclusive sale of ESP Lock, Inc.
- Performed due diligence, drafted information memorandum, contacted senior debt investors, negotiated senior financing and factoring agreements, and assisted in subordinated debt and equity structuring and negotiations of the management buyout of Converting Acquisition Corp.
- Performed due diligence, assisted in drafting information memorandum and in advising the seller on all aspects of structure and closing of the exclusive sale of AgileVision, LLC.
- Assisted in negotiations on price and terms of acquisition, drafted information memorandum, advised on structure, and contacted potential financing sources of the management buyout of Hatfield Acquisition Corp.



- Advised on valuation, assisted in the negotiations, and assisted in all aspects of structure and closing for the exclusive sale of Custom Communications Partners.
- Assisted in all aspects of structure, valuation and negotiation strategy of the exclusive sale of Planet Interactive, Inc.
- Analyzed a potential acquisition candidate, prepared proforma financial projections, and analyzed potential deal structures for Numark Industries.
- Advised on valuation, assisted in the negotiations, and advised on all aspects of structure and closing for the exclusive sale of Larry Miller Productions.
- Performed due diligence, drafted information memorandum, and advised seller on all aspects of structure and closing for the exclusive sale of B2E Resource.
- Assisted in developing strategy and structure for a strategic acquisition and assisted in the negotiations for Tapetex, Inc.
- Performed due diligence, assisted in developing strategy and structure for a strategic acquisition, and assisted in the negotiations for Shipley Company, LLC.
- Performed due diligence on acquisition, provided advice on deal structure and corporate structure, and assisted in the negotiations for W.S.I., Inc.
- Assisted Board of Directors of Vitronics Corporation in evaluating a potential acquisition.
- Assisted in developing strategy and structure for a strategic acquisition and assisted in the negotiations for Tapetex, Inc.

Valuation

- Performed due diligence, valued business, and completed final report (3-years) for an ESOP valuation for Bissell Inc.
- Provided valuation services to the trust department of Fleet Bank regarding the fairness of a private stock sale.
- Performed due diligence, valued business, and completed the final report for an ESOP valuation for Cambridge Isotope Laboratories, Inc.
- Provided opinion to ESOP Trustees of Cambridge Isotope Laboratories, Inc. relating to a company tender offer, performed due diligence, valued business, and prepared the final report.
- Performed due diligence, valued business, and completed final report for a valuation for Monarch Brass & Copper, Corp.
- Performed due diligence, valued business, and completed final report (2-years) for an ESOP valuation for Adcole Corporation.
- Performed due diligence, valued business, and completed final report for a valuation of New England Pension Consultants.
- Performed due diligence and completed final report for a valuation of a non-compete agreement for the CEO of Proxima Therapeutics, Inc. related to the sale of Proxima to Cytac Corporation.

Financial Advisory

- Acted as financial advisor in restructuring senior debt and on a potential five-company (European) merger for Medical & Technical Research Associates, Inc.
- Provided financial analysis regarding the divestiture of certain non-core assets for a large private manufacturing concern.
- Provided strategic advice, including deal structure and valuation, regarding an equity investment for Inc. Magazine.
- Placed senior secured notes, negotiated term sheet, and was responsible for all aspects of closing for Mercury Computer Systems, Inc.
- Assisted in contacting investors and in negotiating a term sheet for the private placement of convertible preferred stock for Modern Age Books.
- Performed due diligence, contacted investors, and assisted in negotiations of an equity placement for Falcon Detection.
- Originated transaction and advised on structure and valuation of an equity investment in and joint venture with RCN Corp. for Boston Edison Company.
- Originated transaction and advised on all aspects of the initial public offering process, including underwriter interviewing and selection, company positioning, S1 drafting, and road show preparation for Beacon Power Corporation. Underwriting team included Salomon Smith Barney as lead manager and Bank of America Securities and CIBC as co-managers.



- Co-originated transaction and advised on all aspects of the initial public offering process, including underwriter interviewing and selection, company positioning, S1 drafting, and road show preparation for Evergreen Solar, Inc. Underwriting team included Bank of America Securities as lead manager and CIBC and First Albany as co-managers.
- Assisted Mercury Computer Systems, Inc. with all aspects of the underwriter selection process. Mercury's IPO was underwritten by Prudential and Cowen.
- Assisted in reviewing of strategic financial alternatives for Tekscan, Inc.
- Assisted in the review of strategic financial alternatives and advised on debt restructuring for Hydropress Environmental Services, Inc.
- Assisted in reviewing Guy Gannett Communications, Inc.'s strategic plan, prepared background information to provide fairness opinion on stock repurchase, and assisted in advising on senior debt offering.
- Reviewed Medical & Technical Research Associates, Inc.'s business strategy resulting in a business line closure.

Education and certification

- Master of Business Administration, University of Chicago
- Bachelor of Science, Biology, Tufts University
- Chartered Financial Analyst

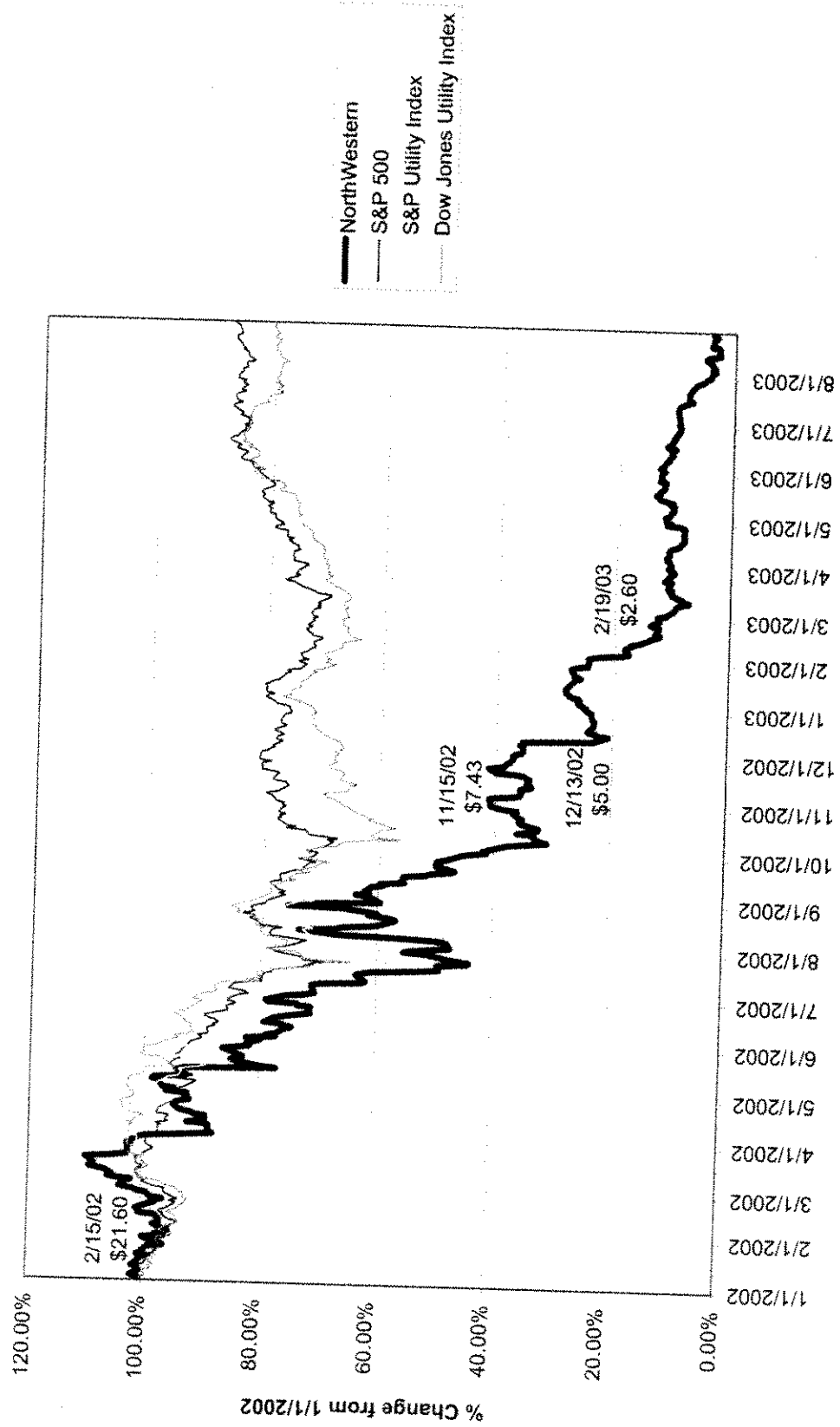
Professional associations

- American Bankruptcy Institute
- Boston Bar Association
- Chartered Financial Analyst Institute
- The Boston Security Analysts Society, Inc.

Civic involvement

- Former Member, Board of Directors, Jewish Community Centers of Greater Boston
- Past President, Leventhal-Sidman Jewish Community Center
- Former Member, Board of Directors, Leventhal-Sidman Jewish Community Center

Exhibit 3
NorthWestern Stock Price Percent Change Compared to S&P 500 and Utility Indices



Source: Bloomberg Stock Quote Data

Exhibit 4
Summary of NorthWestern Rating Affirmations and Downgrades

Date	Rating Agency	Senior Unsecured Debt [1]	Senior Secured Debt [2]	Note offering/ Senior Notes [3]	First Mortgage Bonds	Issuer Rating [4]
8/28/00	Fitch	A			A+	
9/22/00	Fitch	A		A	A+	
10/2/00	Fitch	A			A+	
12/7/01	Fitch	BBB+			A-	BBB+
12/18/01	Fitch	BBB+		BBB+	A-	
1/28/02	Fitch	BBB+		BBB+	A-	
3/8/02	Fitch			BBB+		
8/1/02	Fitch	BBB+			A-	
10/14/02	Fitch	BBB		BBB	BBB+	BBB
12/13/02	Fitch	BBB			BBB+	
1/16/03	Fitch	BB+	BBB-			BB+
4/23/03	Fitch	B+	BB			B+
5/23/03	Fitch	B-	BB-			B-
8/4/03 [5]	Fitch	CCC	B-		B-	CCC
9/15/03 [6]	Fitch	DD	DDD		DDD	DD
9/29/03	Fitch	DD	CCC		CCC	
4/3/00	Moody's	A2	A1			A2
6/1/01	Moody's	A2			A1	A2
9/25/01	Moody's	A2			A1	A2
11/20/01	Moody's	Baa2	Baa1		Baa1	Baa2
12/6/01	Moody's	Baa2				Baa2
3/5/02	Moody's			Baa2		Baa2
8/1/02	Moody's	Baa2	Baa1			Baa2
12/20/02	Moody's	Ba1	Baa3			Ba1
4/25/03	Moody's	Caa1	B2			Caa1
10/2/00	S&P					A+
11/14/01	S&P	BBB	BBB+			BBB+
12/26/01	S&P	BBB	BBB+			BBB+
3/6/02	S&P			BBB+		BBB+
12/30/02	S&P	BB	BBB-		BBB-	BB+
12/31/02	S&P					BB+
4/21/03	S&P	CCC+	B+			B
5/23/03	S&P					B

Red text indicates that rating is below investment grade.

Notes:

Exhibit includes only some of NorthWestern Corp. debt and does not include Montana Power debt. Sources are press releases of the rating agency on the date unless otherwise noted.

[1] Senior unsecured debt relates to loans that are not secured by an underlying asset. The ranked loans for NorthWestern included a \$100 million loan as well as \$276.4 million of unsecured pollution control bonds among others. Note that some of the press releases do not disclose the composition of the senior unsecured debt and therefore the rating may include the senior notes as well. The source for the Fitch senior unsecured debt for 5/23/03 is from Bloomberg function CRPR.

[2] Senior secured debt relates to loans that are secured by an underlying asset. Note that some of the press releases do not disclose the composition of the senior secured debt. The rating may include the first mortgage bonds.

[3] The note offering includes the \$150 million rule 144A floating rate notes as well as the \$720 million notes.

[4] The issuer rating is the overall NorthWestern rating. The source for all the Fitch issuer ratings as well as the S&P issuer rating for 10/2/00 is from Bloomberg function CRPR.

[5] Fitch generally rated the pollution control bonds and the senior unsecured debt together, however on this date they were independently rated: B- and CCC respectively. This chart only depicts the rating of the senior unsecured debt.

[6] Fitch generally rated the pollution control bonds and the senior unsecured debt together, however on this date they were independently rated: DDD and DD respectively. This chart only depicts the rating of the senior unsecured debt.

Exhibit 5
Summary of NorthWestern's 2002 Original and Restated Financials

USD in Thousands

Income Statement	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002		4th Quarter 2002	FYE 2002
	Original [1]	Restated [2]	Original [3]	Restated [4]	Original [5]	Restated [6]	Calculated [7]	[8]
OPERATING REVENUE								
Cost of Sales	\$ 480,113	\$ 456,127	\$ 515,652	\$ 494,763	\$ 509,300	\$ 501,401	\$ 539,218	\$ 1,991,509
GROSS MARGIN	269,691	267,412	261,740	257,023	260,696	257,275	313,699	1,095,409
Operating Expenses	210,422	188,715	253,912	237,740	248,604	244,126	225,519	896,100
Selling, general and administrative	148,150	150,467	172,831	188,090	170,950	188,485	244,584	771,626
Goodwill and other impairment charges	-	-	-	-	-	-	626,123	626,123
Depreciation	20,535	20,378	25,424	25,830	24,124	24,349	28,010	98,567
Amortization of goodwill and other intangibles	7,089	7,089	6,841	6,841	7,981	7,981	7,507	29,418
Restructuring charge	-	-	-	-	-	-	-	-
Total Operating Expenses	175,774	177,934	205,096	220,761	203,055	220,815	906,224	1,525,734
INCOME (LOSS) FROM CONTINUING OPS	34,648	10,781	48,816	16,979	45,549	23,311	(680,705)	(629,634)
Interest Income/(Expense)	(21,686)	(24,801)	(31,063)	(34,307)	(34,715)	(35,085)	(35,343)	(129,536)
Gain (Loss) on Debt extinguishment	694	694	(2,497)	(2,497)	982	982	(4,561)	(5,382)
Investment Income and Other	-	-	-	-	-	-	-	-
INCOME (LOSS) FROM CONTINUING OPS BEFORE INCOME TAXES AND MINORITY INTEREST	13,656	(13,326)	15,256	(19,825)	11,816	(10,792)	(720,609)	(764,552)
Benefit (Provision) for Income Taxes	(4,611)	5,729	(2,466)	11,018	2,804	11,367	(27,316)	798
INCOME (LOSS) FROM CONTINUING OPS BEFORE MINORITY INTERESTS	9,045	(7,597)	12,790	(8,807)	14,620	575	(747,925)	(763,754)
Minority Interest	14,914	14,914	8,100	-	-	-	-	14,914
INCOME (LOSS) FROM CONTINUING OPERATIONS	23,959	7,317	20,890	(8,807)	14,620	575	(747,925)	(748,840)
Discontinued Operations, Net of Taxes and Minority Interest	(40,000)	(40,000)	(5,086)	(5,086)	(55,937)	(55,937)	(632)	(101,656)
Extraordinary Item	(13,447)	(13,447)	-	-	-	-	-	(13,447)
NET INCOME	\$ (29,488)	\$ (46,130)	\$ 15,804	\$ (13,893)	\$ (41,317)	\$ (55,362)	\$ (748,557)	\$ (863,942)
Minority Interests on Preferred Securities of Subsidiary Trusts	(6,225)	(6,225)	(7,474)	(7,474)	(7,474)	(7,474)	(7,437)	(28,610)
Dividends on Preferred Stock	(48)	(48)	(48)	(48)	(295)	(295)	-	(391)
EARNINGS (LOSSES) ON COMMON STOCK	\$ (35,761)	\$ (52,403)	\$ 8,282	\$ (21,415)	\$ (49,086)	\$ (63,131)	\$ (755,994)	\$ (892,943)

(1) NorthWestern Form 10-Q for the period March 31, 2002 filed May 15, 2002

[1] NorthWestern Form 10-Q for the period March 31, 2002 filed May 15, 2002.

[2] NorthWestern Form 10-Q/A for the period March 31, 2002 filed April 15, 2003.

[3] NorthWestern Form 10-Q for the period June 30, 2002 filed August 14, 2002.

[4] NorthWestern Form 10-Q/A for the period June 30, 2002 filed August 14, 2002.

[5] NorthWestern Form 10-Q for the period September 30, 2002 filed November 14, 2002.

[6] NorthWestern Form 10-Q/A for the period September 30, 2002 filed November 14, 2002.

[7] The fourth quarter 2002 amounts were calculated using the 10-K filed April 15, 2003.

[8] NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003.

[9] Calculation performed is FYE 2002 less the Q1, Q2 and Q3

Exhibit 5
Summary of NorthWestern's 2002 Original and Restated Financials

USD in Thousands

Balance Sheet	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002		4th Quarter 2002		FYE 2002
	Original [1]	Restated [2]	Original [3]	Restated [4]	Original [5]	Restated [6]	Calculated [7]	[8]	
ASSETS									
Current Assets:									
Cash and cash equivalents	\$ 120,518	\$ 120,518	\$ 79,717	\$ 79,717	\$ 75,214	\$ 75,214	\$ 45,569	\$ 45,569	\$ 45,569
Restricted cash	-	-	-	-	-	-	28,081	28,081	28,081
Accounts receivable, net	394,922	365,643	379,121	325,402	359,002	291,929	281,447	281,447	281,447
Inventories	69,342	71,621	75,058	82,054	85,791	92,936	86,650	86,650	86,650
Regulatory assets	-	-	-	-	-	-	15,430	15,430	-
Prepaid energy supply	-	-	-	-	-	-	-	-	-
Other	82,487	82,487	88,131	88,131	81,023	81,023	56,516	56,516	56,516
Assets held for sale	101,140	101,140	45,408	45,408	86,846	86,846	42,665	42,665	42,665
Current assets of discontinued operations	-	-	-	-	-	-	-	-	-
Total current assets	\$ 768,409	\$ 741,409	\$ 667,435	\$ 620,712	\$ 687,876	\$ 627,948	\$ 556,358	\$ 556,358	\$ 556,358
Property, plant and equipment, net	1,594,930	1,197,060	1,782,676	1,378,591	1,798,334	1,389,408	1,253,746	1,253,746	1,253,746
Goodwill and other intangible assets, net	852,811	1,252,906	660,360	1,052,355	656,554	1,048,549	400,095	400,095	400,095
Other intangible assets, net	-	-	-	-	-	-	118,144	118,144	-
Other	-	-	-	-	-	-	-	-	-
Investments	97,288	97,288	93,499	93,499	83,257	83,257	85,236	85,236	85,236
Regulatory assets	112,653	112,653	94,433	94,433	94,125	94,125	201,075	201,075	201,075
Deferred tax asset	14,334	14,334	12,825	12,825	20,570	20,570	-	-	-
Other assets	98,823	97,695	104,836	103,444	82,461	81,068	58,271	58,271	58,271
Noncurrent assets of discontinued operations	682,212	682,212	673,461	673,461	643,177	643,177	-	-	-
Total assets	\$ 4,221,460	\$ 4,195,557	\$ 4,089,525	\$ 4,029,320	\$ 4,066,354	\$ 3,988,102	\$ 2,672,925	\$ 2,672,925	\$ 2,672,925

[1] NorthWestern Form 10-Q for the period March 31, 2002 filed May 15, 2002

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Exhibit 5
Summary of NorthWestern's 2002 Original and Restated Financials

USD in Thousands

	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002		4th Quarter 2002	FYE 2002
	Original [1]	Restated [2]	Original [3]	Restated [4]	Original [5]	Restated [6]	Calculated [7]	[8]
LIABILITIES AND SHAREHOLDERS EQUITY								
Current Liabilities:								
Current maturities of long-term debt	158,934	158,934	173,933	173,933	25,364	25,364	57,878	57,878
Current maturities of long-term debt of subsidiaries nonrecourse	8,424	8,424	7,125	7,125	6,133	6,133	-	-
Short-term debt of subsidiaries nonrecourse	151,921	151,921	130,350	130,350	67,589	67,589	-	-
Commercial paper outstanding	-	-	-	-	-	-	-	-
Accounts payable	128,503	128,503	99,048	99,048	80,427	80,427	101,779	101,779
Accrued expenses	417,997	406,396	413,848	397,642	415,750	395,541	345,602	345,602
Regulatory liabilities	-	-	-	-	-	-	32,236	32,236
Current liabilities of discontinued operations	125,341	125,341	87,321	87,321	598,595	598,595	-	-
Other	-	-	-	-	-	-	-	-
Total current liabilities	\$ 991,120	\$ 979,519	\$ 911,625	\$ 895,419	\$ 1,193,858	\$ 1,173,649	\$ 537,495	\$ 537,495
Long-term Debt	1,400,696	1,400,696	1,396,914	1,396,914	1,609,119	1,609,119	1,704,016	1,704,016
Long-term Debt of Subsidiaries Nonrecourse	37,334	37,334	36,933	36,933	56,670	56,670	-	-
Deferred Income Taxes	-	-	-	-	-	-	173	173
Noncurrent Regulatory Liabilities	-	-	-	-	-	-	23,614	23,614
Other Noncurrent Liabilities	393,735	396,075	369,132	371,472	367,947	390,287	483,113	483,113
Noncurrent Liabilities and Minority Interests of Discontinued Ops	652,322	652,322	632,481	632,481	139,239	139,239	-	-
Total liabilities	\$ 3,475,207	\$ 3,465,948	\$ 3,347,085	\$ 3,333,219	\$ 3,366,833	\$ 3,368,964	\$ 2,748,411	\$ 2,748,411
Minority Interest	14,856	14,856	11,106	11,106	10,333	10,333	10,340	10,340
Preferred Stock, Preference Stock, and Preferred Securities:	-	-	-	-	-	-	-	-
Preferred stock 4.5 % series	2,600	2,600	2,600	2,600	-	-	-	-
Redeemable preferred stock 6.5 % series	1,150	1,150	1,150	1,150	-	-	-	-
Preference stock	-	-	-	-	-	-	-	-
Corporation obligated mandatory redeemable preferred securities of subsidiary trusts	370,250	370,250	370,250	370,250	370,250	370,250	370,250	370,250
Total preferred stock, preference stock and preferred securities	\$ 374,000	\$ 374,000	\$ 374,000	\$ 374,000	\$ 370,250	\$ 370,250	\$ 370,250	\$ 370,250
Shareholders Equity:	-	-	-	-	-	-	-	-
Common stock, par value \$1.75	47,942	47,942	47,942	47,942	47,942	47,942	65,444	65,444
Paid-in capital	240,841	240,841	240,891	240,891	240,936	240,936	304,781	304,781
Treasury stock	(3,542)	(3,542)	(3,500)	(3,500)	(3,451)	(3,451)	(3,560)	(3,560)
Retained earnings	67,848	51,206	67,432	21,093	9,650	(50,733)	(818,604)	(818,604)
Accumulated other comprehensive income (loss)	4,308	4,308	4,569	4,569	3,861	3,861	(4,137)	(4,137)
Total shareholders equity	\$ 357,397	\$ 340,755	\$ 357,334	\$ 310,995	\$ 298,938	\$ 238,555	\$ (456,076)	\$ (456,076)
Total liabilities and shareholders equity	\$ 4,221,460	\$ 4,195,557	\$ 4,089,525	\$ 4,029,320	\$ 4,066,354	\$ 3,988,102	\$ 2,672,925	\$ 2,672,925

[1] NorthWestern Form 10-Q for the period March 31, 2002 filed May 15, 2002

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Exhibit 5
Summary of NorthWestern's 2002 Original and Restated Financials

USD in Thousands

	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002		4th Quarter 2002		FYE 2002
	Original [1]	Restated [2]	Original [3]	Restated [4]	Original [5]	Restated [6]	Calculated [7]	Calculated [8]	
Cash Flow Statement									
OPERATING ACTIVITIES:									
Net income	\$ (29,488)	\$ (46,130)	\$ 19,804	\$ (13,893)	\$ (41,317)	\$ (55,361)	\$ (748,558)	\$ (863,942)	
Items not affecting cash:									
Depreciation	20,535	20,378	25,424	25,630	24,124	24,349	28,010	28,010	
Amortization	7,089	7,089	6,841	6,841	7,081	7,061	7,507	7,507	
Loss on discontinued operations	40,000	40,000	5,086	5,086	55,897	55,897	632	632	
Provision for uncollectible accounts	-	-	-	-	-	-	626,123	626,123	
Extraordinary item	-	-	-	-	-	-	44,764	44,764	
Impairment on note receivable	13,447	13,447	-	-	-	-	-	-	
Deferred income taxes	291	291	1,637	1,637	(10,900)	(10,900)	44,615	44,615	
Minority interests in net losses of consolidated subsidiaries	(14,914)	(14,914)	(8,100)	-	-	-	17,783	17,783	
Loss on disposal of other assets	-	-	-	-	-	-	-	-	
Change in current assets and liabilities, net of acquisitions:									
Receivables	(93,655)	(84,900)	56,587	81,027	22,824	36,278	4,268	4,268	
Accounts receivable	27,134	24,855	(5,481)	(5,481)	(10,521)	(10,670)	1,864	1,864	
Other current assets	6,310	6,310	3,453	3,453	7,311	7,311	18,747	18,747	
Accounts payable	(23,612)	(23,612)	(22,696)	(22,696)	(19,386)	(19,386)	14,922	14,922	
Accrued expenses	35,974	24,371	(11,728)	(16,338)	2,237	(1,766)	12,075	12,075	
Change in net assets of discontinued operations	(4,190)	(4,190)	1,536	1,536	(49,059)	(49,059)	(8,443)	(8,443)	
Change in noncurrent assets	9,262	9,262	(4,674)	(4,674)	12,819	12,819	(60,156)	(60,156)	
Change in noncurrent liabilities	(15,394)	(15,394)	-	-	1,415	1,415	-	-	
Changes in regulatory assets and liabilities	(2,977)	891	14,650	15,114	(3,122)	2,705	(80,620)	(80,620)	
Other, net	(23,786)	(21,730)	78,414	72,885	3,122	(1,484)	11,850	30,850	
Cash flows provided by operating activities	\$ (23,786)	\$ (21,730)	\$ 78,414	\$ 72,885	\$ 3,122	\$ (1,484)	\$ (15,338)	\$ 34,043	
INVESTMENT ACTIVITIES:									
Property, plant and equipment additions	(10,432)	(12,500)	(17,317)	(15,509)	(18,631)	(14,215)	(83,716)	(115,938)	
Proceeds from sale of assets	(8,013)	(8,013)	22,441	22,441	47	47	11,278	33,760	
Sale (purchase) of noncurrent investments and assets, net	(6,295)	(6,295)	(4,628)	(4,628)	11,913	11,913	2,327	2,389	
Acquisition and growth expenditures, net of cash received	(482,982)	(482,982)	(76,927)	(76,927)	(25,585)	(25,585)	11,062	(394,302)	
Cash flows used in investing activities	\$ (507,427)	\$ (503,495)	\$ (76,431)	\$ (64,522)	\$ (32,362)	\$ (27,760)	\$ (59,719)	\$ (654,302)	
FINANCING ACTIVITIES:									
Dividends to common and preferred stock	(8,746)	(8,746)	(9,746)	(9,746)	(8,714)	(8,714)	(11,875)	(38,081)	
Minority interest on preferred securities of subsidiaries trusts	(6,225)	(6,225)	(7,474)	(7,474)	(7,474)	(7,474)	(1,537)	(28,610)	
Redemption of preferred stock	-	-	-	-	(3,750)	(3,750)	81,031	14,028	
Proceeds from issuance of common stock and common units	-	-	-	-	-	-	-	-	
Proceeds from exercise of warrants	-	-	-	-	-	-	-	-	
Issuance of long-term debt	719,118	719,118	-	-	-	-	19,031	738,148	
Repayment of long-term debt	(2,007)	(2,007)	(2)	(2)	(156,678)	(156,678)	24,000	(131,678)	
Line of credit borrowings, net	(132,000)	(132,000)	-	-	231,000	231,000	(123,000)	(123,000)	
Repayment of discontinued operations debt	-	-	-	-	-	-	(46,059)	(46,059)	
Treasury stock activity	-	-	-	-	-	-	121	121	
Financing costs	(36,028)	(36,028)	1,834	1,834	(1,072)	(1,072)	9,455	(25,813)	
Issuance of preferred securities of subsidiary trusts	117,750	117,750	-	-	-	-	-	-	
Subsidiary repurchases of minority interests	(8,697)	(8,697)	(8,693)	(8,693)	(8,693)	(8,693)	11,913	(17,750)	
Loss of credit (repayments); borrowings of subsidiaries, net	(12,567)	(12,567)	-	-	84	84	(334)	(4,596)	
Short-term borrowings of subsidiary debt	-	-	-	-	-	-	-	-	
Commercial paper (repayments) borrowings, net	-	-	-	-	-	-	-	-	
Proceeds from termination of hedge	-	-	-	-	-	-	-	-	
Issuance of nonrecourse subsidiary debt	-	-	-	-	-	-	-	-	
Repayment of nonrecourse subsidiary debt	-	-	-	-	-	-	-	-	
Cash flows provided by financing activities	\$ (60,585)	\$ 508,585	\$ (48,784)	\$ (48,784)	\$ 24,757	\$ 24,757	\$ 46,481	\$ 83,038	
Change in Cash and Cash Equivalents	\$ (23,517)	\$ (29,517)	\$ (27,612)	\$ (27,612)	\$ (27,612)	\$ (27,612)	\$ (27,612)	\$ (27,612)	
Cash and Cash Equivalents, beginning of period [9]	\$ 600,585	\$ 508,585	\$ (48,784)	\$ (48,784)	\$ 24,757	\$ 24,757	\$ 46,481	\$ 83,038	
Cash and Cash Equivalents, end of period	\$ 577,068	\$ 479,068	\$ (48,001)	\$ (48,001)	\$ (4,503)	\$ (4,503)	\$ (21,131)	\$ 55,426	
Supplemental disclosures:									
Interest (Discharged) in Cash and Cash Equivalents	83,360	83,360	(40,801)	(40,801)	(4,503)	(4,503)	(21,131)	(21,131)	
Cash and Cash Equivalents, beginning of period [9]	37,496	37,496	120,518	120,518	79,717	79,717	75,211	94,789	
Cash and Cash Equivalents, end of period	\$ 120,518	\$ 120,518	\$ 79,717	\$ 79,717	\$ 75,211	\$ 75,211	\$ 54,080	\$ 89,908	

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NorthWestern Corp. 10-Q for the period March 31, 2002 filed May 15, 2002

[1] NorthWestern Form 10-Q for the period March 31, 2002 filed May 15, 2002.

[2] NorthWestern Form 10-Q for the period March 31, 2002 filed May 15, 2002.

[3] NorthWestern Form 10-Q for the period June 30, 2002 filed August 14, 2002.

[4] NorthWestern Form 10-Q for the period June 30, 2002 filed August 14, 2002.

[5] NorthWestern Form 10-Q for the period September 30, 2002 filed November 14, 2002.

[6] NorthWestern Form 10-Q for the period September 30, 2002 filed November 14, 2002.

[7] The fourth quarter 2002 amounts were calculated using the 10-K filed on April 15, 2003.

[8] NorthWestern Form 10-K for the period December 31, 2002 filed April 15, 2003.

[9] For the NorthWestern Form 10-Q and 10-Q/A for the period March 31, 2002, the cash and cash equivalents beginning of period are \$37,156. This amount does not agree to the reported amount per the

Exhibit 6
Summary of NorthWestern's 2002 Restated and Revised Quarterly Financials

USD in Thousands

	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002	
	Restated [1]	Revised [2]	Restated [3]	Revised [2]	Restated [4]	Revised [2]
Income Statement						
OPERATING REVENUE						
Cost of Sales	\$ 456,127	\$ 456,127	\$ 494,763	\$ 494,763	\$ 501,401	\$ 501,401
	267,412	267,412	257,023	257,023	257,275	257,275
GROSS MARGIN						
Operating Expenses	188,715	188,715	237,740	237,740	244,126	244,126
Selling, general and administrative	150,467	153,067	188,090	195,390	188,485	211,885
Goodwill and other impairment charges	-	-	-	390,000	-	-
Depreciation	20,378	20,378	25,830	25,830	24,349	24,349
Amortization of goodwill and other intangibles	7,089	7,089	6,841	6,841	7,981	7,981
Restructuring charge	-	-	-	-	-	-
Total Operating Expenses	177,934	180,534	220,761	618,061	220,815	244,015
INCOME (LOSS) FROM CONTINUING OPS						
Interest Income/(Expense)	10,781	8,181	16,979	(380,321)	23,311	111
Gain (Loss) on Debt extinguishment	(24,801)	(24,801)	(34,307)	(34,307)	(35,085)	(35,085)
Investment Income and Other	694	694	(2,497)	(2,497)	982	982
INCOME (LOSS) FROM CONTINUING OPS BEFORE INCOME TAXES AND MINORITY INTEREST						
Benefit (Provision) for Income Taxes [5]	(13,326)	(15,926)	(19,825)	(417,125)	(10,792)	(33,992)
INCOME (LOSS) FROM CONTINUING OPS BEFORE MINORITY INTERESTS						
Minority Interest	5,729	6,769	11,018	13,938	11,367	20,647
INCOME (LOSS) FROM CONTINUING OPERATIONS						
Discontinued Operations, Net of Taxes and Minority Interest	(7,597)	(9,157)	(8,807)	(403,187)	575	(13,345)
Extraordinary item	14,914	14,914	-	-	-	-
NET INCOME						
Minority Interests on Preferred Securities of Subsidiary Trusts	7,317	5,757	(8,807)	(403,187)	575	(13,345)
Dividends on Preferred Stock	(40,000)	(40,000)	(5,086)	(5,086)	(55,937)	(55,937)
	(13,447)	(13,447)	-	-	-	-
EARNINGS (LOSSES) ON COMMON STOCK						
Minority Interests on Preferred Securities of Subsidiary Trusts	\$ (46,130)	\$ (47,690)	\$ (13,893)	\$ (408,273)	\$ (55,362)	\$ (69,282)
Dividends on Preferred Stock	(6,225)	-	(7,474)	-	(7,474)	-
	(48)	-	(48)	-	(295)	-
EARNINGS (LOSSES) ON COMMON STOCK	\$ (52,403)	\$ (47,690)	\$ (21,415)	\$ (408,273)	\$ (62,831)	\$ (69,282)

[1] NorthWestern Form 10-Q/A for the period March 31, 2002 filed April 15, 2003.

[2] Per Expert report of Robert W. Berliner, CPA, CFE. If Mr. Berliner did not note any GAAP violations that were not restated by NorthWestern, I assumed that the amounts would have been equal to the restated amounts from that quarter.

[3] NorthWestern Form 10-Q/A for the period June 30, 2002 filed April 15, 2003.

[4] NorthWestern Form 10-Q/A for the period September 30, 2002 filed April 15, 2003.

[5] Revised includes a tax adjustment for the reserve reversal at an effective tax rate of 40%.

Exhibit 6
Summary of NorthWestern's 2002 Restated and Revised Quarterly Financials

USD in Thousands

	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002	
	Restated [1]	Revised [2]	Restated [3]	Revised [2]	Restated [4]	Revised [2]
Balance Sheet						
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 120,518	\$ 120,518	\$ 79,717	\$ 79,717	\$ 75,214	\$ 75,214
Restricted cash	-	-	-	-	-	-
Accounts receivable, net	365,643	365,643	325,402	325,402	291,929	291,929
Inventories	71,621	71,621	82,054	82,054	92,936	92,936
Regulatory assets	-	-	-	-	-	-
Prepaid energy supply	-	-	-	-	-	-
Other	82,487	184,667	88,131	137,499	81,023	181,109
Assets held for sale	-	-	-	-	-	-
Current assets of discontinued operations	101,140	-	45,408	-	86,846	-
Total current assets	\$ 741,409	\$ 742,449	\$ 620,712	\$ 624,672	\$ 627,948	\$ 641,188
Property, plant, and equipment, net	1,197,060	1,197,060	1,378,591	1,378,591	1,389,408	1,389,408
Goodwill and other intangible assets, net	1,252,906	1,252,906	1,052,355	662,355	1,048,549	658,549
Other intangible assets, net	-	-	-	-	-	-
Other	-	-	-	-	-	-
Investments	97,288	-	-	-	-	-
Regulatory assets	112,653	-	93,499	-	83,257	-
Deferred tax asset	14,334	-	94,433	-	94,125	-
Other assets	97,695	1,004,182	12,825	-	20,570	-
Noncurrent assets of discontinued operations	682,212	-	103,444	977,662	81,068	922,197
Total assets	\$ 4,195,557	\$ 4,196,597	\$ 4,029,320	\$ 3,643,280	\$ 3,988,102	\$ 3,611,342

[1] NorthWestern Form 10-Q/A for the period March 31, 2002 filed April 15, 2003.

[2] Per Expert report of Robert W. Berliner, CPA, CFE. If Mr. Berliner did not note any GAAP violations that were not restated by NorthWestern, I assumed that the amounts would have been equal to the restated amounts from that quarter.

[3] NorthWestern Form 10-Q/A for the period June 30, 2002 filed April 15, 2003.

[4] NorthWestern Form 10-Q/A for the period September 30, 2002 filed April 15, 2003.

Exhibit 6
Summary of NorthWestern's 2002 Restated and Revised Quarterly Financials

USD in Thousands

	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002	
	Restated [1]	Revised [2]	Restated [3]	Revised [2]	Restated [4]	Revised [2]
LIABILITIES AND SHAREHOLDERS EQUITY						
Current Liabilities:						
Current maturities of long-term debt	158,934	158,934	173,933	173,933	25,364	25,364
Short-term debt of subsidiaries nonrecourse	8,424	8,424	7,125	7,125	6,133	6,133
Commercial paper outstanding	151,921	151,921	130,350	130,350	67,589	67,589
Accounts payable	-	-	-	-	-	-
Accrued expenses	128,503	-	99,048	-	80,427	-
Regulatory liabilities	406,396	-	397,642	-	395,541	-
Current liabilities of discontinued operations	-	-	-	-	-	-
Other	125,341	-	87,321	-	598,595	-
Total current liabilities	\$ 979,519	\$ 982,119	\$ 895,419	\$ 905,319	\$ 1,173,649	\$ 1,437,749
Long-term Debt	1,400,696	1,400,696	1,396,914	1,396,914	1,609,119	1,609,119
Deferred Income Taxes	37,334	37,334	36,933	36,933	56,670	56,670
Noncurrent Regulatory Liabilities	-	-	-	-	-	-
Other Noncurrent Liabilities	-	-	-	-	-	-
Noncurrent Liabilities and Minority Interests of Discontinued Ops	396,075	1,048,397	371,472	1,003,953	390,287	298,526
Total liabilities	\$ 3,465,946	\$ 3,468,546	\$ 3,333,219	\$ 3,343,119	\$ 3,368,964	\$ 3,402,064
Minority interest						
Preferred Stock, Preference Stock, and Preferred Securities:						
Preferred stock 4.5 % series	14,856	14,856	11,106	11,106	10,333	10,333
Redeemable preferred stock 6.5 % series	2,600	-	2,600	-	-	-
Preference stock	1,150	-	1,150	-	-	-
Corporation obligated mandatory redeemable preferred securities of subsidiary trusts	-	-	-	-	-	-
Total preferred stock, preference stock and preferred securities	\$ 370,250	\$ 374,000	\$ 370,250	\$ 374,000	\$ 370,250	\$ 370,250
Shareholders Equity:						
Common stock, par value \$1.75	47,942	-	47,942	-	47,942	-
Paid-in capital	240,841	-	240,891	-	240,936	-
Treasury stock	-	-	(3,500)	-	(3,451)	-
Retained earnings	51,206	-	21,093	-	(50,733)	-
Accumulated other comprehensive income (loss)	4,308	-	4,569	-	3,861	-
Total shareholders equity	\$ 340,755	\$ 339,195	\$ 310,995	\$ (84,945)	\$ 238,555	\$ (171,305)
Total liabilities and shareholders equity	\$ 4,195,557	\$ 4,196,597	\$ 4,029,320	\$ 3,643,280	\$ 3,988,102	\$ 3,611,342

[1] NorthWestern Form 10-Q/A for the period March 31, 2002 filed April 15, 2003.

[2] Per Expert report of Robert W. Berliner, CPA, CFE. If Mr. Berliner did not note any GAAP violations that were not restated by NorthWestern, I assumed that the amounts would have been equal to the restated amounts from that quarter.

[3] NorthWestern Form 10-Q/A for the period June 30, 2002 filed April 15, 2003.

[4] NorthWestern Form 10-Q/A for the period September 30, 2002 filed April 15, 2003.

Exhibit 6
Summary of NorthWestern's 2002 Restated and Revised Quarterly Financials

USD in Thousands

	1st Quarter 2002		2nd Quarter 2002		3rd Quarter 2002	
	Restated [1]	Revised [2]	Restated [3]	Revised [2]	Restated [4]	Revised [2]
Cash Flow Statement						
OPERATING ACTIVITIES:						
Net income	\$ (46,130)	\$ (46,130)	\$ (13,893)	\$ (13,893)	\$ (55,361)	\$ (55,361)
Items not affecting cash:						
Depreciation	20,378	20,378	25,830	25,830	24,349	24,349
Amortization	7,089	7,089	6,841	6,841	7,981	7,981
Loss on discontinued operations	40,000	40,000	5,066	5,066	55,937	55,937
Impairment charges	-	-	-	-	-	-
Provision for uncollectible accounts	13,447	13,447	-	-	-	-
Extraordinary item	-	-	-	-	-	-
Impairment on notes receivable	291	291	1,637	1,637	-	-
Deferred income taxes	(14,914)	(14,914)	-	-	(10,900)	(10,900)
Minority interests in net losses of consolidated subsidiaries	-	-	-	-	-	-
Loss on disposal of other assets	-	-	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-	-	-
Changes in current assets and liabilities, net of acquisitions:						
Receivables	(64,386)	(64,386)	81,027	81,027	38,278	38,278
Accounts receivable	24,855	24,855	(10,116)	(10,116)	(10,670)	(10,670)
Other current assets	6,310	6,310	3,451	3,451	7,311	7,311
Accounts payable	(23,612)	(23,612)	(22,699)	(22,699)	(19,305)	(19,305)
Accrued expenses	24,373	24,373	(16,333)	(16,333)	11,768	11,768
Change in net assets of discontinued operations	(4,136)	(4,136)	1,536	1,536	(49,059)	(49,059)
Change in noncurrent assets	2,282	2,282	(4,874)	(4,874)	(4,386)	(4,386)
Change in noncurrent liabilities	(15,394)	(15,394)	-	-	15,384	15,384
Other, net	891	891	15,114	15,114	2,705	2,705
Cash flows provided by operating activities	\$ (21,730)	\$ (21,730)	\$ 72,805	\$ 72,805	\$ (1,494)	\$ (1,494)
INVESTMENT ACTIVITIES:						
Property, plant and equipment additions	(12,500)	(12,500)	(5,508)	(5,508)	(14,215)	(14,215)
Proceeds from sale of assets	-	-	22,441	22,441	41	41
Sale (purchase) of noncurrent investments and assets, net	(8,013)	(8,013)	(4,628)	(4,628)	11,913	11,913
Acquisition and growth expenditures, net of cash received	(452,982)	(452,982)	(76,927)	(76,927)	(25,565)	(25,565)
Cash flows used in investing activities	\$ (503,495)	\$ (503,495)	\$ (64,622)	\$ (64,622)	\$ (27,786)	\$ (27,786)
FINANCING ACTIVITIES:						
Dividends on common and preferred stock	(8,746)	(8,746)	(6,746)	(6,746)	(8,714)	(8,714)
Minority interest on preferred securities of subsidiaries trusts	(6,225)	(6,225)	(7,474)	(7,474)	(7,474)	(7,474)
Redemption of preferred stock	-	-	-	-	(3,750)	(3,750)
Proceeds from issuance of common stock and common units	719,118	719,118	-	-	-	-
Proceeds from exercise of warrants	(2,007)	(2,007)	(2)	(2)	-	-
Issuance of long-term debt	(132,000)	(132,000)	-	-	-	-
Repayment of long-term debt	-	-	-	-	-	-
Line of credit borrowings, net	-	-	-	-	-	-
Redemption of discontinued operations debt	-	-	-	-	-	-
Treasury stock activity	-	-	-	-	-	-
Financing costs	(36,028)	(36,028)	1,834	1,834	(1,072)	(1,072)
Issuance of preferred securities of subsidiary trusts	117,750	117,750	-	-	-	-
Subsidiary repurchase of minority interests	(6,697)	(6,697)	(6,963)	(6,963)	-	-
Line of credit (repayments) borrowings of subsidiaries, net	(12,951)	(12,951)	-	-	86	86
Short-term borrowings of subsidiary debt	-	-	-	-	-	-
Commercial paper (repayments) borrowings, net	7,878	7,878	-	-	-	-
Proceeds from termination of hedge	-	-	-	-	-	-
Issuance of nonrecourse subsidiary debt	-	-	-	-	-	-
Redemption of nonrecourse subsidiary debt	-	-	-	-	-	-
Cash flows provided by financing activities	\$ (29,507)	\$ (29,507)	\$ (27,612)	\$ (27,612)	\$ 17,020	\$ 17,020
Increase (Decrease) in Cash and Cash Equivalents	\$ 608,585	\$ 608,585	\$ (46,784)	\$ (46,784)	\$ 24,757	\$ 24,757
Cash and Cash Equivalents, beginning of period	63,360	63,360	(40,801)	(40,801)	(4,503)	(4,503)
Cash and Cash Equivalents, end of period	\$ 120,518	\$ 120,518	\$ 120,518	\$ 120,518	\$ 79,717	\$ 79,717

NorthWestern Form 10-Q/A for the period March 31, 2002 filed April 15, 2003.
 [1] For E-Report of Robert W. Beiler, CPA, CFE. If Mr. Beiler did not use any GAAP violations that were not restated by NorthWestern, I assumed that the amounts would have been equal to the restated amounts from that quarter.
 [2] NorthWestern Form 10-Q/A for the period June 30, 2002 filed April 15, 2003.
 [3] NorthWestern Form 10-Q/A for the period September 30, 2002 filed April 15, 2003.

Exhibit 7
Summary of Standard and Poor's Ratings Changes

1st Quarter 2002						
Original		Restated		Revised		
Ratio	Rating	Ratio	Rating	Ratio	Rating	
[1]	[2]	[3]	[4][5]	[6]	[4][5]	
EBIT Interest Coverage	(0.20)	BBB+	(0.57)	<BB	(0.57)	<BB
Return on Equity	-3.3%	BBB+	-10.6%	<BB	-10.6%	<BB
Total Debt / Capital	70.2%	BBB+	70.7%	BB	70.7%	BB
Funds From Operations Interest Coverage	0.2	BBB+	(0.1)	<BB	(0.1)	<BB
Funds From Operations / Total Debt	0.7%	BBB+	-0.2%	<BB	-0.3%	<BB

2nd Quarter 2002						
Original		Restated		Revised		
Ratio	Rating	Ratio	Rating	Ratio	Rating	
[7]	[2]	[8]	[4][5]	[6]	[4][5]	
EBIT Interest Coverage	0.48	BBB+	(0.22)	<BB	(4.93)	<BB
Return on Equity	10.8%	BBB+	-5.7%	<BB	NM	NM
Total Debt / Capital	70.2%	BBB+	71.5%	BB	85.3%	<BB
Funds From Operations Interest Coverage	1.3	BBB+	0.8	<BB	(4.1)	<BB
Funds From Operations / Total Debt	5.9%	BBB+	3.7%	<BB	-19.4%	<BB

3rd Quarter 2002						
Original		Restated		Revised		
Ratio	Rating	Ratio	Rating	Ratio	Rating	
[9]	[2]	[10]	[4][5]	[6]	[4][5]	
EBIT Interest Coverage	0.91	BBB+	0.13	<BB	(3.77)	<BB
Return on Equity	29.3%	BBB+	5.1%	<BB	NM	NM
Total Debt / Capital	72.2%	BBB+	74.0%	BB	89.4%	<BB
Funds From Operations Interest Coverage	2.2	BBB+	1.6	<BB	(2.6)	<BB
Funds From Operations / Total Debt	12.3%	BBB+	9.4%	<BB	-15.5%	<BB

4th Quarter 2002			
Calculated			
Ratio	Rating		
[11]	[4][5]		
EBIT Interest Coverage	(4.49)	<BB	
Return on Equity	NM	NM	
Total Debt / Capital	104.5%	<BB	
Funds From Operations Interest Coverage	1.1	<BB	
Funds From Operations / Total Debt	8.0%	<BB	

Red text indicates that rating is below investment grade.

- [1] Last twelve months calculated using the NorthWestern form 10-Q for the period March 31, 2002 filed May 15, 2002, the NorthWestern form 10-Q for the period March 31, 2001 filed May 15, 2001 and the NorthWestern form 10-K for the period December 31, 2002 filed April 15, 2003 (for FYE 2001 results).
- [2] Rating is the issuer rating as assigned by S&P as of the end of the stated quarter. During this time period, S&P was relying upon, among other things, future equity financing which caused NorthWestern's rating to be higher than the ratio alone would indicate.
- [3] Last twelve months calculated using the NorthWestern form 10-Q/A for the period March 31, 2002 filed April 15, 2003, the NorthWestern form 10-Q for the period March 31, 2001 filed May 15, 2001 and the NorthWestern form 10-K for the period December 31, 2002 filed April 15, 2003 (for FYE 2001 results).
- [4] Rating was estimated using the Standard and Poor's Corporate Ratings Criteria Report utility key ratios which had amounts for each rating category. The rating was determined based on the ratio's proximity to the stated utility ratio. (Standard and Poor's Corporate Ratings Criteria Report for 2002, p. 54.)
- [5] The Standard & Poor's guidelines for the electric utility only had financial metrics up to rating BB, therefore, if the calculated ratio was below the guideline, the restated ratio would be "<BB" which would put the status to below investment grade. See box below for the Standard & Poor's electric utility financial metrics. (Standard and Poor's Corporate Ratings Criteria Report for 2002, p. 54.)
- [6] Last twelve months revised ratios are calculated based on the revised financials found in Expert Report of Robert W. Berliner, CPA, CFE, September 19, 2007, the NorthWestern form 10-Q for the period March 31, 2001 filed May 15, 2001 and the NorthWestern form 10-K for the period December 31, 2002 filed April 15, 2003 (for FYE 2001 results).
- [7] Last twelve months calculated using the NorthWestern form 10-Q for the period June 30, 2002 filed August 14, 2002, the NorthWestern form 10-Q for the period June 30, 2001 filed August 14, 2001 and the NorthWestern form 10-K for the period December 31, 2002 filed April 15, 2003 (for FYE 2001 results).
- [8] Last twelve months calculated using the NorthWestern form 10-Q/A for the period June 30, 2002 filed April 15, 2003, the NorthWestern form 10-Q for the period June 30, 2001 filed August 14, 2001 and the NorthWestern form 10-K for the period December 31, 2002 filed April 15, 2003 (for FYE 2001 results).
- [9] Last twelve months calculated using the NorthWestern form 10-Q for the period September 30, 2002 filed November 14, 2002, the NorthWestern form 10-Q for the period September 30, 2001 filed November 14, 2001 and the NorthWestern form 10-K for the period December 31, 2002 filed April 15, 2003 (for FYE 2001 results).
- [10] Last twelve months calculated using the NorthWestern form 10-Q/A for the period September 30, 2002 filed November 14, 2002, the NorthWestern form 10-Q for the period September 30, 2001 filed November 14, 2001 and the NorthWestern form 10-K for the period December 31, 2002 filed April 15, 2003 (for FYE 2001 results).
- [11] The fourth quarter 2002 and FYE 2002 original amounts were calculated using the 2002 10-K filed on April 15, 2003 which includes the restated amounts from Q1, Q2 and Q3 2002. Ratios were calculated using these amounts.

	AA	A	BBB	BB
EBIT Interest Coverage (x)	4.2	3.4	2.8	1.9
Return on Equity (%)	12.3	12.5	10.9	11.4
Total debt/capital (%)	51.7	55.92	58.78	73.3
Funds from operations interest coverage	5.1	4	3.5	2.4
Funds from operations / total debt (%)	35.5	23.76	20.42	12.47